MARITIME RESOURCES CORP.
(An Exploration Group)

FINANCIAL STATEMENTS

December 31, 2011

(Expressed in Canadian Dollars)

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Maritime Resources Corp. are the responsibility of the Company’s management. The financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal control to ensure that the Company’s assets are protected from loss or improper use, transactions are authorized and properly recorded and financial records are reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The audit committee reviews the results of the audit and the annual financial statements prior to their submission to the Board of Directors for approval.

The statements of financial position as at December 31, 2011 and 2010 and April 1, 2010, and the statements of operations and comprehensive loss, cash flows, and changes in equity for the year ended December 31, 2011 and nine–month period ended December 31, 2010 have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the audited financial statements.

“Eric Norton”
……………………………………........
Eric Norton, President
Vancouver, British Columbia
February 23, 2012

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MARITIME RESOURCES CORP.

(An Exploration Stage Company)

We have audited the accompanying financial statements of Maritime Resources Corp. (an exploration stage company), which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and April 1, 2010, and the statements of operations and comprehensive loss, cash flows and changes in equity for the year ended December 31, 2011 and the nine-month period ended December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Maritime Resources Corp. as at December 31, 2011, December 31, 2010 and April 1, 2010, and the results of its operations and its cash flows for the year ended December 31, 2011 and the nine-month period ended December 31, 2010 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $67,749 during the year ended December 31, 2011. This condition along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
February 23, 2012

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MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	Year Ended December 31, 2011	Nine Months Ended December 31, 2010 (Note 19)
Expenses			
Accounting and audit		$ 50,450	$ 32,180
Administration and others		69,564	24,433
Amortization		-	61
Consulting		79,500	5,000
Investor relations and promotion		56,807	7,420
Legal		28,783	9,137
Share-based payments	16(d)	89,887	184,906
Loss Before Deferred Tax Recovery		(374,991)	(263,137)
Deferred tax recovery	18	307,242	-
Loss and Comprehensive Loss for the Period		**$ (67,749)**	**$ (263,137)**
Loss Per Share - Basic and Diluted		$ (0.00)	$ (0.03)
Weighted Average Number of Common Shares Outstanding		21,500,000	10,125,455

See accompanying notes to the financial statements.

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	December 31, 2011	December 31, 2010 (Note 19)	April 1, 2010 (Note 19)
Assets				
Current assets				
Cash	8	$ 134,402	$ 958,056	$ 508,172
Accounts receivable	9	109,531	37,831	1,012
Prepaid expenses	10	9,314	-	22,421
Current assets		253,247	995,887	531,605
Exploration and evaluation assets	11	2,885,764	2,352,255	-
Furniture and fixtures	12	-	345	-
Total assets		$ 3,139,011	$ 3,348,487	$ 531,605
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	13	$ 95,266	$ 19,638	$ 264
Other liability		-	327,750	-
Current liabilities		95,266	347,388	264
Deferred tax liability	18	20,508	-	-
Total liabilities		115,774	347,388	264
Shareholders' Equity				
Share capital	16	3,109,941	3,109,941	599,785
Contributed surplus		37,833	37,833	26,536
Share-based payments reserve		319,030	243,804	58,898
Deficit		(443,567)	(390,479)	(153,878)
Shareholders' equity		3,023,237	3,001,099	531,341
Total liabilities and shareholders' equity		$ 3,139,011	$ 3,348,487	$ 531,605

See accompanying notes to the financial statements.

Approved on behalf of the Board:

"Eric Norton"
………………………………………………… Director
Eric W. Norton

"David McCue"
………………………………………………… Director
David J. McCue

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year Ended December 31, 2011	Nine Months Ended December 31, 2010 (Note 19)
Net loss	$ (67,749)	$ (263,137)
Items not involving cash		
Amortization	-	61
Furniture and fixtures write-off	345	-
Share-based payments	89,887	184,906
Deferred tax recovery	(307,242)	-
	(284,759)	(78,170)
Changes in non-cash working capital		
Accounts receivable	28,300	(36,819)
Prepaid expenses	(9,314)	22,420
Accounts payable and accrued liabilities	5,228	19,375
Other liability	-	327,750
	24,214	332,726
Cash Provided by (Used in) Operating Activities	(260,545)	254,556
Investing Activities		
Exploration and evaluation expenditures	(663,109)	(192,255)
Government grants received on exploration and evaluation assets	100,000	-
Purchase of furniture and fixtures	-	(406)
Cash Used in Investing Activities	(563,109)	(192,661)
Financing Activity		
Issuance of common shares, net of share issue costs	-	387,989
Cash Provided by Financing Activity	-	387,989
Inflow (Outflow) of Cash	(823,654)	449,884
Cash, Beginning of Period	958,056	508,172
Cash, End of Period	$ 134,402	$ 958,056
Supplemental Cash Flow Information		
Interest paid	$ 1,020	$ -
Exploration and evaluation assets in accounts receivable	$ 100,000	$ -
Exploration and evaluation assets accrued in accounts payable and accrued liabilities	$ 70,400	$ -
Shares issued for exploration and evaluation assets	$ -	$ 2,160,000
Fair value of finder's warrants included in capital stock	$ -	$ 37,833

See accompanying notes to the financial statements.

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Capital Stock		Contributed	Share-based Payments		Total Shareholders'
	Shares	**Amount**	**Surplus**	**Reserve**	**Deficit**	**Equity**
Balance, April 1, 2010 (Note 19)	**4,500,000**	**$ 599,785**	**$ 26,536**	**$ 58,898**	**$ (153,878)**	**$ 531,341**
Net loss for the period					(263,137)	(263,137)
Shares issued for cash						
Private placement (Notes 16(b) and 18)	5,000,000	422,250				422,250
Share issue costs		(34,261)				(34,261)
Finder's warrants		(37,833)	37,833			-
Reclassification of share-based payments reserve (Note 19(c))			(26,536)		26,536	-
Shares issued for the acquisition of the Green Bay property	12,000,000	2,160,000				2,160,000
Share-based payments				184,906		184,906
Balance, December 31, 2010 (Note 19)	**21,500,000**	**3,109,941**	**37,833**	**243,804**	**(390,479)**	**3,001,099**
Net loss for the year					(67,749)	(67,749)
Share-based payments				89,887		89,887
Reclassification of share-based payments reserve				(14,661)	14,661	-
Balance, December 31, 2011	**21,500,000**	**$ 3,109,941**	**$ 37,833**	**$ 319,030**	**$ (443,567)**	**$ 3,023,237**

See accompanying notes to the financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (the "Company" or "Maritime") was incorporated under the *Business Corporations Act* (British Columbia) on May 14, 2007 and until October 5, 2010 was classified as a capital pool corporation as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal activities of the Company are the exploration of resource properties in Green Bay, Newfoundland, Canada.

The address of the Company's corporate office and principal place of business is 11th Floor, 1111 Melville Street, Vancouver, British Columbia, Canada.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company has relied on the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of shares to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition.

For the year ended December 31, 2011, the Company reported a net loss of $67,749 (nine months ended December 31, 2010 - $263,137), and at December 31, 2011 had a deficit of $443,567 (December 31, 2010 - $390,479; April 1, 2010 - $153,878). The Company also had working capital of $157,981 (December 31, 2010 - $648,499; April 1, 2010 - $531,341). The available funds are insufficient to continue operations for the ensuing year. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future.

2. QUALIFYING TRANSACTION

Effective October 5, 2010, the Company completed its Qualifying Transaction by exercising an option to acquire an initial 50% undivided interest (the "Initial Interest") in Commander Resources Ltd.'s ("Commander") wholly owned Green Bay mineral property (the "Property") in Newfoundland, Canada for 12,000,000 common shares. The option agreement, dated June 14, 2010, between the Company and Commander, provides the Company with the further option of increasing its ownership in the Property to 100% at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015 by issuing an additional 5,000,000 common shares to Commander.

3. ECONOMIC DEPENDENCE

As a result of the Qualifying Transaction, Commander owned 55.81% of the Company's issued and outstanding shares as at December 31, 2011. During the period ended December 31, 2010, the Company changed its fiscal year-end from March 31 to December 31. As of the Report Date, the Company acquired 100% interest of the Property (Note 20(b)) and Commander owns 47.17% of the Company's issued and outstanding shares (Note 20(c)).

The financial statements presented are for the year ended December 31, 2011 and nine months ended December 31, 2010. The IFRS transition date for the Company was April 1, 2010.

4. STATEMENT OF COMPLIANCE

These first annual IFRS financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board with a transition date of April 1, 2010. The impact of the transition from Canadian Generally Accepted Accounting Principles (Canadian GAAP) to IFRS is explained in Note 19. IFRS 1 *First-Time Adoption of IFRS* has been applied.

The accounting policies set out in Note 5 have been applied consistently to all periods presented in preparing the opening statement of financial position at April 1, 2010 for the purposes of the transition to IFRS.

The financial statements were authorized for issue by the Board of Directors on February 23, 2012.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the historical cost basis except for financial instruments, which are stated at fair values.

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 April 1, 2010.

(a) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Use of estimates (Continued)

Significant areas requiring the use of estimates include the fair values of financial instruments, collectability of accounts receivable, the balances of accrued liabilities, impairment of exploration and evaluation assets, determination of the valuation allowance for deferred tax assets, and the assumptions used in the determination of the fair value of share-based payments, agent compensation options and finder's warrants. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

(b) Functional and presentation currencies

The Canadian dollar is both the Company's functional currency and presentation currency.

(c) Cash

Cash consists of cash on hand, and deposits in banks with an original maturity of three months or less that are readily convertible to known amounts of cash, and subject to an insignificant risk of change in value.

(d) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation ("E&E") expenditures are recognized and capitalized, in addition to the acquisition costs, net of recoveries, on a property-by-property basis. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general administrative overhead costs, are expensed in the period in which they occur.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

If economically recoverable ore reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of the project are deemed to be impaired. As a result those E&E costs, in excess of estimated recoveries, are written-off to profit and loss.

The Company assesses E&E assets for impairment at each statement of financial position date or whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Exploration and evaluation assets (Continued)

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(e) Furniture and fixtures

(i) Recognition and measurement

On initial recognition, furniture and fixtures are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operation in the manner intended by the Company. The Company has implemented an accounting policy of expensing purchases under $500. Furniture and fixtures are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

(ii) Subsequent costs

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

(iii) Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

An impairment loss is reversed if there is an indication that 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 amortization, if no impairment loss had been recognized.

(iv) Depreciation

Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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 (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

i. Financial assets

Financial assets are classified into one of the following categories. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) Fair Value Through Profit or Loss (“FVTPL”)

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as FVTPL if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified cash as FVTPL financial assets.

(ii) Available-For-Sale Investments (“AFS”)

Short-term investments and other assets held not otherwise designated, are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive loss. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive loss is included in profit or loss for the period. The Company does not have any assets classified as AFS financial assets.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial instruments (Continued)

i. Financial assets (Continued)

(iii) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the reporting period in which they are identified. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

(iv) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each year-end. 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 asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is 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 all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the bad debt account. Subsequent recoveries of amounts previously written off are credited against the bad debt account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial Instruments (Continued)

ii. Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise trade payables and accrued liabilities. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(g) 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(h) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and non-employees. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. For directors and employees, the fair value of the options is measured at the date of grant. 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 offset to the recorded cost is to share-based payments reserve. 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. Upon expiry, the recorded value is transferred to deficit.

(j) Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its resource exploration activities. Canadian income tax law permits the Company to renounce to the flow-through shareholders the income tax attributes of resource exploration costs financed by such shares. Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as an other liability, which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded prospectively upon renunciation of the related tax benefits, provided it is expected the Company will incur the required eligible expenditures.

When flow-through expenditures are renounced, a portion of the future income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of deferred income taxes in the statements of operations and comprehensive loss.

(k) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to calculate diluted earnings per share. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants if they would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Comprehensive income

Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive income and components of other comprehensive income are presented in the statements of operations and comprehensive loss and the statements of changes in equity.

(m) Segmented information

The Company conducts its business as a single operating segment, being the mining business in Canada. All mineral properties and equipment are situated in Canada.

(n) Standards, Amendments and Interpretations not yet effective

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

(i) IFRS 9 *Financial Instruments* (2010), incorporates revised requirement for the classification and measurement requirement of financial liabilities, and carry over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*."

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

Applies to annual periods beginning on or after January 1, 2015, this standard supersedes IFRS 9 (2009). However, for annual reporting periods beginning before January 1, 2015, an entity may early adopt IFRS 9 (2009) instead of applying this standard.

(ii) IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The standard builds on the existing principles of "control" by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard is effective for annual periods beginning on or after January 1, 2013. There will be no significant impact to the Company upon implementation of the issued standard.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Standards, Amendments and Interpretations not yet effective (Continued)

(iii) IFRS 11 *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The standard is effective for annual periods beginning on or after January 1, 2013.

(iv) IFRS 12 *Disclosure of Interests in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard is effective for annual periods beginning on or after January 1, 2013. There will be no significant impact to the Company upon implementation of the issued standard.

(v) IFRS 13 *Fair Value Measurements* published by the IASB in May 2011 as a new comprehensive standard on measuring and disclosing fair value and will supersede all other fair value guidance in IFRS. The standard is effective for annual periods beginning on or after January 1, 2013.

(vi) IAS 27 *Separate Financial Statements* is amended to deal with the requirements for separate financial statements, which have been carried over largely unamended from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*. This standard is effective for annual periods beginning on or after January 1, 2013. There will be no significant impact to the Company upon implementation of the issued standard.

(vii) IAS 28 *Investments in Associates and Joint Ventures* is amended to prescribe the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard defines “significant influence” and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. This standard is effective for annual periods beginning on or after January 1, 2013. There will be no significant impact to the Company upon implementation of the issued standard.

(Expressed in Canadian Dollars)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Standards, Amendments and Interpretations not yet effective (Continued)

(viii) IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement.

The Interpretation requires stripping activity costs, which provide improved access to ore, are recognized as a non-current "stripping activity asset" when certain criteria are met. The stripping activity asset is depreciated or amortized on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate. This standard is effective for annual periods beginning on or after January 1, 2013. There will be no significant impact to the Company upon implementation of the issued standard.

6. FINANCIAL INSTRUMENTS

The Company has classified its cash as FVTPL; accounts receivable (excluding tax arrangements) as loans and receivables; and accounts payable as other financial liabilities.

The carrying values of cash, accounts receivables and accounts payable approximate their fair values due to the short-term maturity of these financial instruments.

The Company's financial instruments as at December 31, 2011 and 2010 and April 1, 2010 are as follows:

	December 31, 2011		December 31, 2010		April 1, 2010	
Financial assets						
Cash	$	134,402	$	958,056	$	508,172
Accounts receivable		-		11,712		699
	$	134,402	$	969,768	$	508,871
Financial liabilities						
Accounts payable	$	2,366	$	638	$	264

7. FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and accounts receivable, other than Harmonized Sales Tax ("HST") and government funding receivable. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

(Expressed in Canadian Dollars)

7. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The Company's maximum exposure to credit risk as at December 31, 2011 and 2010 and April 1, 2010 is as follows:

	December 31, 2011	December 31, 2010	April 1, 2010
Cash	$ 134,402	$ 958,056	$ 508,172
Accounts receivable	-	11,712	699
	$ 134,402	$ 969,768	$ 508,871

The Company manages credit risk with respect to its cash by maintaining deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.
The Company has cash at December 31, 2011 in the amount of $134,402 (December 31, 2010 - $958,056; April 1, 2010 - $508,172), none of which were flow-through funds to be spent on field exploration activities exclusively (December 31, 2010 - $622,308; April 1, 2010 - $Nil). At December 31, 2011, the Company had accounts payable and accrued liabilities of $95,266 (December 31, 2010 - $19,638; April 1, 2010 - $264), which are due in the short term (0 – 3 months). The Company believes it has sufficient funds to meet its short-term business requirements.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to managing the above risks during the year ended December 31, 2011.

8. CASH

The following is a breakdown of cash balances as at December 31, 2011 and 2010, and April 1, 2010:

	December 31, 2011	December 31, 2010	April 1, 2010
Cash	$ 134,402	$ 335,748	$ 508,172
Cash (flow-through funds for exploration)	-	622,308	-
	$ 134,402	$ 958,056	$ 508,172

Exploration funds raised through the issuance of flow-through shares are required to be spent on mineral exploration related activities in Canada only. As of December 31, 2011, the $750,000 flow-through funds raised as a part of the Qualifying Transaction (Note 2) has been fully expended on the Green Bay property.

9. ACCOUNTS RECEIVABLE

The Company does not have any revenue. As of December 31, 2011 and 2010 and April 1, 2010, the accounts receivable included HST input tax credits and government funding (Note 11) refundable to the Company.

	Neither past due nor impaired	Past due but not impaired 31 - 60 days	61 - 90 days	> 90 days	TOTAL
December 31, 2011	$ 109,531	$ -	$ -	$ -	$ 109,531
December 31, 2010	$ 26,119	$ -	$ 11,013	$ 699	$ 37,831
April 1, 2010	$ 313	$ -	$ -	$ 699	$ 1,012

(Expressed in Canadian Dollars)

10. PREPAID EXPENSES

As at December 31, 2011, the Company had prepaid expenses of $9,314 (December 31, 2010 – $Nil; April 1, 2010 - $22,421), including insurance of $5,370 and tradeshow expense of $3,944 paid in advance.

11. EXPLORATION AND EVALUATION ASSETS

Expenditures incurred on the Green Bay property during the periods ended December 31, 2011 and 2010, and April 1, 2010 are as follows:

	December 31, 2011	December 31, 2010	April 1, 2010
Balance at the beginning of the period	$ 2,352,255	$ -	$ -
Additions during the period:			
Acquisition costs	1,750	2,224,563	-
Exploration costs:			
Drilling	565,516	4,045	-
Geology	162,696	28,273	-
Geophysics	-	95,224	-
Property	3,107	-	-
Other	440	150	-
	731,759	127,692	-
Less:			
Recoveries	(200,000)	-	-
Net additions	533,509	2,352,255	-
Balance at the end of the period	**$ 2,885,764**	**$ 2,352,255**	**$ -**

On October 5, 2010, the TSX-V accepted the Company's filing of its Qualifying Transaction, consisting of the exercise of an option to acquire an initial 50% undivided interest in Commander's wholly owned Green Bay mineral property in Newfoundland, Canada. The total acquisition cost of $2,224,563 consists of the issuance of 12,000,000 shares at a fair value of $0.18 per share and legal, listing fees and other costs of $64,563 directly related to the completion of the Qualifying Transaction.

The Company, at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015, will have the right to acquire the remaining 50% of the Property by issuing an additional 5,000,000 common shares to Commander. Once the Company has completed a minimum of $750,000 in expenditures on the property by April 5, 2012, the Company may elect to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 joint venture between the parties in accordance with standard industry terms, with the Company being the initial operator. As of December 31, 2011, $859,451 has been expended on the property, satisfying this requirement. The Company has exercised its option to acquire 100% interest in the Property as the Report Date (Note 20(b)).

11. EXPLORATION AND EVALUATION ASSETS (Continued)

The Company is eligible to receive certain provincial exploration assistance funding as defined by the Government of Newfoundland and Labrador Mineral Incentive Programme - Junior Exploration Assistance guidelines. The Company accounts for this government funding using the cost-reduction method, whereby exploration and evaluation expenditures are reduced by the funding received. During the year ended December 31, 2011, the Company recovered $200,000 (December 31, 2010 - $Nil) in project expenditures from this assistance funding at which $100,000 is received subsequent to year-end (Note 9).

(a) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the properties may be diminished or negated.

(b) Title to exploration and evaluation assets

Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(c) Realization of assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(Expressed in Canadian Dollars)

12. FURNITURE AND FIXTURES

	Cost	Accumulated Depreciation	Net Book Value
At April 1, 2010	$ -	$ -	$ -
Additions	406	61	345
At December 31, 2010	406	61	345
Additions	-	21	(21)
Write-off	(406)	(82)	(324)
At December 31, 2011	$ -	$ -	$ -

The Company's current balance of furniture and fixtures is $Nil as a result of write-off to comply with the Company's policy (Note 5(e)(i)) (December 31, 2010 – $345; April 1, 2010 – $Nil).

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The average credit period of purchases is one month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The following is an aging analysis of accounts payable and accrued liabilities:

	Current	31 - 60 days	61 - 90 days	> 90 days	TOTAL
December 31, 2011	$ 95,266	$ -	$ -	$ -	$ 95,266
December 31, 2010	$ 19,638	$ -	$ -	$ -	$ 19,638
April 1, 2010	$ 264	$ -	$ -	$ -	$ 264

14. DEFERRED TAX LIABILITY

A deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

In the year ended December 31, 2011, the Company renounced $750,000 of exploration expenditures under its flow-through program resulting in a deferred tax liability of $198,750. The Company subsequently reduced the deferred tax liability by recognizing previously unrecorded tax assets for the full amount (Note 18).

15. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Company has no debt obligations. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not subject to any externally imposed capital requirements.

The Company raises capital through the issuance of its capital stock to fund operations and the identification and evaluation of exploration assets. Although the Company has been successful at raising funds in the past through issuance of common shares, there can be no assurance that it will continue to be able to do so in the future.

There were no changes to the Company's approach to capital management during the year ended December 31, 2011.

16. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

On October 1, 2010, the Company completed a private placement of 5,000,000 flow-through common shares ("FT Shares") at $0.15 per FT Share for gross proceeds of $750,000. Finder's fees of $34,261 were paid and 326,300 finder's warrants were issued. Each finder's warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.15 at any time prior to October 1, 2012. The 326,300 finder's warrants were fair valued at $37,833 (Note 16(e)).

On October 1, 2010, the Company acquired its initial interest in the Green Bay property by issuing to Commander 12,000,000 common shares at $0.18 per share. The foregoing 12,000,000 shares are being held in escrow (Note 16(c)).

On February 21, 2011, the Company renounced $750,000 in exploration and evaluation expenditures relating to the flow-through shares issued. The income tax effect of the renunciation was charged to deferred tax expense.

(c) Escrow shares

During the year ended March 31, 2008, the Company issued 1,500,000 common shares at $0.10 per share for total proceeds of $150,000. These common shares are held in escrow under which 10% of the escrowed common shares were released from escrow on the completion of the Qualifying Transaction on October 5, 2010, and an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the Qualifying Transaction. While in escrow, the shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities.

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (Continued)

(c) Escrow shares (Continued)

The Company had shares held in its issued capital in escrow as at December 31, 2011 and 2010 and April 1, 2010 as follows:

	Number of Common Shares		Total
	Under CPC Escrow Agreement	Under Acquisition of Green Bay	
Balance as at April 1, 2010	1,500,000	-	1,500,000
Shares held in escrow under acquisition of Green Bay	-	12,000,000	12,000,000
Number of shares released on October 1, 2010	(150,000)	(1,200,000)	(1,350,000)
Balance as at December 31, 2010	1,350,000	10,800,000	12,150,000
Number of shares released on April 1, 2011	(225,000)	(1,800,000)	(2,025,000)
Number of shares released on October 1, 2011	(225,000)	(1,800,000)	(2,025,000)
Balance as at December 31, 2011	900,000	7,200,000	8,100,000

(d) Stock options

The Company's shareholders approved an updated stock option plan in May 2011. The stock option plan is designed to attract and retain individuals and to reward them for current and expected future performance. The vesting periods of stock options granted vary with terms determined by the Board of Directors. The maximum number of shares that may be issuable pursuant to options granted under the Company's Stock Option Plan shall be that number equal to 10% of the Company's issued share capital from time to time. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over vesting periods.

A summary of the status of the Company's stock options as at December 31, 2011 and 2010 and April 1, 2010 and changes during the periods then ended were as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, April 1, 2010	450,000	$ 0.20
Granted	1,200,000	$ 0.15
Outstanding, December 31, 2010	1,650,000	$ 0.17
Granted	475,000	$ 0.20
Cancelled	(100,000)	$ 0.18
Outstanding, December 31, 2011	2,025,000	$ 0.17
Exercisable, December 31, 2011	2,000,000	$ 0.17

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (Continued)

(d) Stock options (Continued)

During the year ended December 31, 2011, 475,000 options were granted to the Company's directors, officers and consultants, and 100,000 fully vested options were cancelled. At December 31, 2011, 2,000,000 options were exercisable with a weighted average exercise price of $0.17 and a weighted average remaining contractual life of 3.63 years. There were no stock options exercised during the year ended December 31, 2011 and nine months ended December 31, 2010.

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants as follows:

		2011		2010
Exercise price	$	0.20	$	0.15
Grant date share price	$	0.20	$	0.18
Risk-free interest rate		1.85%		1.98%
Expected dividend yield		0		0
Expected stock price volatility		140%		142%
Expected option life in years		5		5
Grant date fair value	$	0.18	$	0.16

Expected volatility was determined based on the historical movements in the closing price of the Company's stocks for a length of time to the expected life of each option.

As at December 31, 2011, stock options outstanding are as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price
400,000	$0.20	15-Sep-13		
1,000,000	$0.15	01-Oct-15		
150,000	$0.17	26-Nov-15		
475,000	$0.20	14-Dec-16		
2,025,000			3.63	$ 0.17

As at December 31, 2010, stock options outstanding are as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price
450,000	$0.20	15-Sep-13		
1,050,000	$0.15	01-Oct-15		
150,000	$0.17	26-Nov-15		
1,650,000			4.21	$ 0.17

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (Continued)

(d) Stock options (Continued)

Share-based payments charged to operations on options vested for the year ended December 31, 2011 and nine months ended December 31, 2010 were as follows:

		2011		2010
Accounting	$	4,435	$	-
Consulting		54,992		73,054
Investor relations		10,060		2,424
Salaries and benefits		20,400		109,428
	$	89,887	$	184,906

(e) Finder's warrants

On October 1, 2010, the Company granted 326,300 finder's warrants to a finder of the private placement. There was no change to the status of the Company's outstanding and exercisable finder's warrants during the year ended December 31, 2011.

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Outstanding, April 1, 2010	-	N/A	N/A
Issued	326,300	$0.15	01-Oct-12
Outstanding and exercisable, December 31, 2010 and 2011	326,300	$0.15	01-Oct-12

17. RELATED PARTY TRANSACTIONS

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors. The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors for the year ended December 31, 2011 and nine months ended December 31, 2010:

		2011		2010
Accounting	$	24,000	$	4,000
Consulting		79,500		5,000
Geological consulting		50,400		8,400
Legal		20,000		5,000
	$	173,900	$	22,400

(Expressed in Canadian Dollars)

17. RELATED PARTY TRANSACTIONS

(a) Trading transactions (Continued)

During the year ended December 31, 2011, the Company paid $26,206 to Commander to reimburse office rent and administrative expenses (December 31, 2010 - $10,508 to a company in which a director was a principal). The Company also paid $12,175 to Commander for insurance coverage reimbursement during the year ended December 31, 2011 (December 31, 2010 – $Nil).

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year ended December 31, 2011 for short-term benefits was $49,500 (December 31, 2010 - $Nil) and for share-based payments was $60,314 (December 31, 2010 - $182,483).

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the periods ended December 31, 2011 and 2010.

18. INCOME TAXES

The Company has accumulated losses for Canadian income tax purposes of approximately $519,000, expiring as follows:

2027	$	71,000
2028		40,000
2029		41,000
2030		54,000
2031		313,000
Total	$	519,000

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

		Year Ended December 31, 2011		Nine Months Ended December 31, 2010
		26.50%		28.50%
Income tax benefit computed at Canadian statutory rates	$	(99,373)	$	(74,994)
Non-deductible share-based payments		23,820		52,698
Change in timing differences		173,251		(9,286)
Change in valuation allowance		(70,630)		28,122
Change resulting from tax rate variation		(6,560)		3,460
Impact of flow-through shares		(327,750)		-
Deferred tax recovery	**$**	**(307,242)**	**$**	**-**

(Expressed in Canadian Dollars)

18. INCOME TAXES (Continued)

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

		Year Ended December 31, 2011		Nine Months Ended December 31, 2010
Deferred income tax assets				
Share issue costs	$	12,034	$	18,921
Non-capital losses carried forward		129,856		51,694
Furniture and fixtures		102		15
Valuation allowance		-		(70,630)
Net deferred tax assets		141,992		-
Exploration and evaluation assets		(162,500)		-
Net deferred tax liability	**$**	**(20,508)**	**$**	**-**

Funds raised through the issuance of flow-through shares are expenditures to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date represent the funds received from flow-through share issuances, which are fully spent and renounced as at December 31, 2011. The difference in quoted market price arising from issuance of 5,000,000 flow-through shares amounting to $327,750 was included as an other liability at December 31, 2010 and subsequently recognized as deferred tax recovery during the year ended December 31, 2011.

19. TRANSITION TO IFRS

As stated in Note 4, these are the Company's first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and comprehensive loss and cash flows is set out in this note.

The accounting policies set out in Note 5 have been applied in preparing the financial statements for the year ended December 31, 2011, the comparative information presented in these financial statements for the nine months ended December 31, 2010 and in the preparation of an opening IFRS statement of financial position at April 1, 2010 (the Company's date of transition).

<u>IFRS 1 *First-time Adoption of International Financial Reporting Standards* (IFRS 1)</u>

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities taken to retained earnings/deficit.

19. TRANSITION TO IFRS (Continued)

(a) Share-based payment transactions

IFRS 1 does not require first-time adopters to apply IFRS 2 *Share-based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS.

The Company has elected not to apply IFRS 2 to awards that vested prior to April 1, 2010, which have been accounted for in accordance with Canadian GAAP.

(b) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under Canadian GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has not changed the Company's reported financial position, results of operations and cash flows. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of financial position and statement of cash flows for the nine months ended December 31, 2010 have been reconciled to IFRS.

(c) Share-based payments

The Company has elected to transfer $26,536 of agents' options, which expired on September 17, 2010, from contributed surplus to deficit. Previously the Company's Canadian GAAP policy was to leave such amounts in contributed surplus.

(d) Flow-through shares

Canadian GAAP – Flow-through shares were recorded at their face value, net of related issuance costs as share capital. On the date the tax credits were renounced, a deferred tax expense was recognized as a cost of issuing the shares.

IFRS – Flow-through shares are recognized based on the quoted market price of the existing shares on the date of the issue as share capital. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain, which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits.

The difference in quoted market price arising from issuance of the 5,000,000 flow-through shares issued on October 1, 2010 amounted to $327,750. This amount was included as other liability at December 31, 2010 and subsequently recognized as a deferred tax recovery during the year ended December 31, 2011.

(Expressed in Canadian Dollars)

19. TRANSITION TO IFRS (Continued)

The April 1, 2010 and December 31, 2010 Canadian GAAP statement of financial position have been reconciled to IFRS as follows:

		April 1, 2010			December 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets							
Current assets							
Cash		$ 508,172	$ -	$ 508,172	$ 958,056	$ -	$ 958,056
Accounts receivable		1,012	-	1,012	37,831	-	37,831
Prepaid expenses		22,421	-	22,421	-	-	-
Total current assets		531,605	-	531,605	995,887	-	995,887
Non-current assets							
Exploration and evaluation assets		-	-	-	2,352,255	-	2,352,255
Furniture and fixtures		-	-	-	345	-	345
Total non-current assets		-	-	-	2,352,600	-	2,352,600
Total assets		**$ 531,605**	**$ -**	**$ 531,605**	**$ 3,348,487**	**$ -**	**$ 3,348,487**
Liabilities and Shareholders' Equity							
Current liabilities							
Accounts payable and accrued liabilities		$ 264	$ -	$ 264	$ 19,638	$ -	$ 19,638
Other liability	19(d)	-	-	-	-	327,750	327,750
Total liabilities		264	-	264	19,638	327,750	347,388
Shareholders' Equity							
Capital stock	19(d)	599,785	-	599,785	3,437,691	(327,750)	3,109,941
Contributed surplus	19(c)	26,536	-	26,536	64,369	(26,536)	37,833
Share-based payments reserve		58,898	-	58,898	243,804	-	243,804
Deficit	19(c)	(153,878)	-	(153,878)	(417,015)	26,536	(390,479)
Total shareholders' equity		531,341	-	531,341	3,328,849	(327,750)	3,001,099
Total liabilities and shareholders' equity		**$ 531,605**	**$ -**	**$ 531,605**	**$ 3,348,487**	**$ -**	**$ 3,348,487**

(Expressed in Canadian Dollars)

19. TRANSITION TO IFRS (Continued)

The following is the reconciliation of the statement of operations and comprehensive loss for the nine months ended December 31, 2010:

	Nine Months Ended December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS
Expenses			
Accounting and audit	$ 32,180	$ -	$ 32,180
Administration and others	24,433		24,433
Amortization	61		61
Consulting	5,000		5,000
Investor relations and promotion	7,420		7,420
Legal	9,137		9,137
Share-based payments	184,906		184,906
Loss and Comprehensive Loss for Period	**(263,137)**	**-**	**(263,137)**
Loss Per Share, Basic and Diluted	**$ (0.03) $**	**$ -**	**$ (0.03)**
Weighted Average Number of Common Shares Outstanding	**10,125,455**	**-**	**10,125,455**

There has been no effect of transition to IFRS from the Canadian GAAP statement of operations and comprehensive loss for the nine months ended December 31, 2010.

(Expressed in Canadian Dollars)

19. TRANSITION TO IFRS (Continued)

The following is the reconciliation of the statement of cash flows for the nine months ended December 31, 2010:

		Nine Months Ended December 31, 2010		
	Note	**Canadian GAAP**	**Effect of transition to IFRS**	**IFRS**
Net loss		$ (263,137)	$ -	$ (263,137)
Items not involving cash			.	
Amortization		61	-	61
Stock-based payments		184,906	-	184,906
		(78,170)	-	(78,170)
Changes in non-cash working capital				
Accounts receivable		(36,819)	-	(36,819)
Prepaid expenses		22,420	-	22,420
Accounts payable and accrued liabilities		19,375	-	19,375
Other liability	19(d)	-	327,750	327,750
		4,976	327,750	332,726
Cash Provided by (Used in) Operating Activities		(73,194)	327,750	254,556
Investing Activities				
Exploration and evaluation expenditures		(192,255)	-	(192,255)
Purchase of furniture and fixtures		(406)	-	(406)
Cash Used in Investing Activities		(192,661)	-	(192,661)
Financing Activity				
Issuance of common shares, net of share issue costs	19(d)	715,739	(327,750)	387,989
Cash Provided by (Used in) Financing Activity		715,739	(327,750)	387,989
Inflow of Cash		449,884	-	449,884
Cash, Beginning of Period		508,172	-	508,172
Cash, End of Period		**$ 958,056**	**$ -**	**$ 958,056**
Supplemental Cash Flow Information				
Non-Cash Financing Activities				
Shares issued for exploration and evaluation assets		$ 2,160,000	$ -	$ 2,160,000
Fair value of finder's warrants included in capital stock		$ 37,833	$ -	$ 37,833

20. SUBSEQUENT EVENTS

a) In January 2012, the Company retained an external consultant to assist in investor outreach and increasing communications efforts for a period of six months. The consultant will be paid $2,900 per month and was granted 100,000 incentive stock options, exercisable at a price of $0.25 per share for a one-year period.

b) On January 31, 2012, the Company exercised its option to acquire 100% interest in the Green Bay property through the issuance of an additional 5 million common shares to Commander.

c) On February 15, 2012, the Company reported Commander has entered into an agreement with Rambler Metals & Mining Canada Ltd. ("Rambler") of Baie Verte, Newfoundland, to sell 4,500,000 shares of the Company. As a result of the transaction, Commander owns 47.17% and Rambler owns 16.98% of the 26.5 million issued and outstanding common shares of the Company. Rambler's Vice President of Corporate Development, Peter Mercer, was appointed a director of the Company.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended
September 30, 2011
(Expressed in Canadian Dollars)
(Unaudited)

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MARITIME RESOURCES CORP.

Notice

Notice of No Auditor Review of the Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Maritime Resources Corp. ("the Company"), for the nine months ended September 30, 2011, have been prepared by management and have not been the subject of a review by the Company's independent auditor.

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	3 Months Sep 30 2011	3 Months Sep 30 2010	9 Months Sep 30 2011	9 Months Dec 31 2010
Expenses				
Accounting and audit	$ 11,000	$ 1,500	$ 36,950	$ 32,180
Administration and others	11,463	7,883	55,066	24,433
Amortization	-	-	-	61
Consultants	24,000	-	55,500	5,000
Investor relations and promotion	10,096	-	45,358	7,420
Legal	6,707	63	23,411	9,137
Share-based compensation	1,363	-	9,147	184,906
Loss Before Deferred Income Tax Recovery	(64,629)	(9,446)	(225,432)	(263,137)
Deferred income tax recovery	-	-	129,000	-
Loss and Comprehensive Loss for the Period	**$ (64,629)**	**$ (9,446)**	**$ (96,432)**	**$ (263,137)**
Loss Per Share				
Basic and Diluted	$ (0.003)	$ (0.002)	$ (0.004)	$ (0.026)
Weighted Average Number of Common Shares Outstanding				
Basic and Diluted	21,500,000	4,500,000	21,500,000	10,125,455

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	Note	September 30, 2011	December 31, 2010	April 1, 2010
Assets				
Current assets				
Cash	8	$ 217,873	$ 958,056	$ 508,172
Accounts receivable	9	10,057	37,831	1,012
Prepaid expenses	10	13,059	-	22,421
Current assets		240,989	995,887	531,605
Exploration and evaluation assets	11	2,890,698	2,352,255	-
Furniture and fixtures		-	345	-
Total assets		$ 3,131,687	$ 3,348,487	$ 531,605
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	12	$ 19,123	$ 19,638	$ 264
Other liability		-	327,750	-
Current liabilities		19,123	347,388	264
Deferred tax liabilities	13	198,750	-	-
Total liabilities		217,873	347,388	264
Shareholders’ Equity				
Capital stock	15	3,109,941	3,109,941	599,785
Contributed surplus		37,833	37,833	26,536
Share-based payments reserve		252,951	243,804	58,898
Deficit		(486,911)	(390,479)	(153,878)
Shareholders' equity		2,913,814	3,001,099	531,341
Total liabilities and shareholders' equity		$ 3,131,687	$ 3,348,487	$ 531,605

Nature of Operations and Going Concern (note 1)

Approved on behalf of the Board:

“Eric W. Norton”
……………………………………………… Director
Eric W. Norton

“David J. McCue”
……………………………………………… Director
David J. McCue

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	For the Three Months Ended		For the Nine Months Ended	
	Sep 30 2011	Sep 30 2010	Sep 30 2011	Dec 31 2010
Net loss	$ (64,629)	$ (9,446)	$ (96,432)	$ (263,137)
Items not involving cash				
Amortization	-	-	-	61
Reclassification of furniture and fixtures	-	-	345	-
Share-based payments reserve	1,363	-	9,147	184,906
Deferred income tax recovery	-	-	(129,000)	-
	(63,266)	(9,446)	(215,940)	(78,170)
Changes in non-cash working capital				
Accounts receivable	46,949	(2,521)	27,775	(36,819)
Prepaid expenses	(7,437)	6,910	(13,059)	22,420
Accounts payable and accrued liabilities	(5,354)	(16,765)	(402)	19,375
Other liability	-	-	-	327,750
	34,158	(12,376)	14,314	332,726
Cash Provided (Used) in Operating Activities	(29,108)	(21,822)	(201,626)	254,556
Investing activities				
Mineral property acquisition and exploration costs	(30,393)	-	(538,443)	(192,255)
Accounts payable related to exploration and evaluation assets	(5,274)	-	(114)	-
Purchase of furniture and fixtures	-	-	-	(406)
Cash Used in Investing Activities	(35,667)	-	(538,557)	(192,661)
Financing Activity				
Issuance of common shares, net of share issue costs	-	-	-	387,989
Cash Used in Financing Activities	-	-	-	387,989
Inflow (Outflow) of Cash	(64,775)	(21,822)	(740,183)	449,884
Cash, Beginning of Period	282,648	481,006	958,056	508,172
Cash, End of Period	$ 217,873	$ 459,184	$ 217,873	$ 958,056
Supplemental Cash Flow Information				
Shares issued for exploration and evaluation assets	$ -	$ -	$ -	$ 2,160,000
Fair value of finder's warrants included in capital stock	-	-	-	37,833

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited -- Prepared by Management)

	Capital Stock Shares	Capital Stock Amount	Contributed Surplus	Share-based Payments Reserve	Deficit	Total Shareholders' Equity
Balance, April 1, 2010	4,500,000	$ 599,785	$ 26,536	$ 58,898	$ (153,878)	$ 531,341
Net loss for the period					(263,137)	(263,137)
Shares issued for cash						
Private placement	5,000,000	422,250				422,250
Share issue costs		(34,261)				(34,261)
Finder's warrants		(37,833)	37,833			-
Non-cash transactions						
Reclassification of option compensation on expired options			(26,536)		26,536	-
Shares issued for the acquisition of the	12,000,000	2,160,000				2,160,000
Share-based payments				184,906		184,906
Balance, December 31, 2010	**21,500,000**	**3,109,941**	**37,833**	**243,804**	**(390,479)**	**3,001,099**
Net income for the period					(96,432)	(96,432)
Non-cash transaction						
Share-based payments				9,147		9,147
Balance, September 30, 2011	**21,500,000**	**$ 3,109,941**	**$ 37,833**	**$ 252,951**	**$ (486,911)**	**$ 2,913,814**

See Accompanying Notes to the Financial Statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (formerly BMB Capital Corp.) (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on May 14, 2007 and until October 5, 2010 was classified as a capital pool corporation as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal activity of the Company is the exploration of the Green Bay mineral property in Newfoundland, Canada (see note 2).

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain profitable operations.

For the nine months ended September 30, 2011, the Company reported a net loss of $96,432 (nine months ended December 31, 2010 – $263,137), and at September 30, 2011 had a deficit of $486,911 (December 31, 2010 - $390,479). The Company also had working capital of $221,866 (December 31, 2010 - $648,499). Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions.

2. QUALIFYING TRANSACTION

Effective October 5, 2010, the Company completed its Qualifying Transaction by exercising an option to acquire an initial 50% undivided interest (the "Initial Interest") in Commander Resources Ltd.'s ("Commander") wholly owned Green Bay mineral property (the "Property") in Newfoundland, Canada. The Company issued Commander 12,000,000 common shares and completed an equity financing for $750,000. The option agreement, dated June 14, 2010, between the Company and Commander, provides the Company with the further option of increasing its ownership in the Property to 100% at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015 by issuing an additional 5,000,000 common shares to Commander. Once the Company has completed a minimum of $750,000 in expenditures by April 5, 2012, the Company may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 joint venture between the parties in accordance with standard industry terms, with the Company being the initial operator.

3. ECONOMIC DEPENDENCE AND CHANGE IN YEAR-END

As a result of the Qualifying Transaction, Commander owns 55.81% of the Company's issued and outstanding shares. During the period ended December 31, 2010, the Company changed its fiscal year-end from March 31 to December 31. The Company's new financial year-end coincides with the year-end of Commander.

The condensed interim financial statements presented are for the nine months ended September 30, 2011 and December 31, 2010. The IFRS transition date for the Company was April 1, 2010.

4. STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with International Accounting Standards Interim Financial Reporting ("IAS 34") and First-time Adoption of International Financial Reporting Standards ("IFRS 1"). These are the Company's third condensed interim financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") for part of the period covered by the Company's first IFRS annual financial statements for the year ending December 31, 2011. These financial statements do not include all of the information required for full annual financial statements.

The accounting policies set out below have been applied consistently to all periods presented in preparing the opening statement of financial position at April 1, 2010 for purpose of transition to IFRS.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 17.

The statements of comprehensive loss and cash flows include comparative figures for the three months ended September 30, 2010 and nine months ended December 31, 2010 which are the Company's operating results and cash flows for the comparative months of the prior year, to provide readers with actual operating results on the same basis as those reported by the Company for the current quarter.

The condensed financial statements were authorized for issue by the Board of Directors on November 17, 2011.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at December 31, 2010 and the condensed interim consolidated financial statements as at March 31, 2011 except as noted below. The accompanying unaudited condensed interim financial statements do not contain all of the information and disclosures required in annual financial statements and should be read in conjunction with the Company's audited Canadian GAAP annual financial statements for the year ended December 31, 2010.

(a) Accounting standards issued but not yet effective

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

(i) IFRS 9, "Financial Instruments: Classification and Measurement", reflects the first phase of the IASB work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Accounting standards issued but not yet effective (Continued)

(ii) IFRS 10, "Consolidated Financial Statements", establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The standard builds on the existing principles of 'control' by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard is effective for annual periods beginning on or after January 1, 2013. There will be no significant impact the Company upon implementation of the issued standard.

(iii) IFRS 11, "Joint Arrangements", provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The standard is effective for annual periods beginning on or after January 1, 2013. The Company anticipates reviewing all existing arrangements for classification may require assistance from the external auditors.

(iv) IFRS 12, "Disclosure of Interests in Other Entities", is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard is effective for annual periods beginning on or after January 1, 2013. There will be no significant impact the Company upon implementation of the issued standard.

(v) IFRS 13, "Fair Value Measurements", published by the IASB in May 2011 as a new comprehensive standard on measuring and disclosing fair value and will supersede all other fair value guidance in IFRS. The standard is effective for annual periods beginning on or after January 1, 2013. The Company anticipates reviewing all existing fair valued accounts and may require assistance from the external auditors.

6. FINANCIAL INSTRUMENTS

The Company has classified its cash as fair value through profit or loss; accounts receivable as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (Continued)

The following is a breakdown of the Company's financial instruments as at September 30, 2011 and December 31, 2010:

		September 30, 2011		December 31, 2010
Financial assets				
Cash	$	217,873	$	958,056
Accounts receivable		10,057		37,831
	$	227,930	$	995,887
Financial liabilities				
Accounts payable and accrued liabilities	$	19,123	$	19,638
	$	19,123	$	19,638

7. FINANCIAL RISK MANAGEMENT

(a) Credit risk

The Company is exposed to credit risk with respect to its cash and accounts receivable.

The Company's maximum exposure to credit risk is as follows:

		September 30, 2011		December 31, 2010
Cash	$	217,873	$	958,056
Accounts receivable		-		11,712
	$	217,873	$	969,768

The Company manages credit risk with respect to its cash by maintaining deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company has cash at September 30, 2011 in the amount of $217,873 (December 31, 2010 - $958,056), none of which were flow-through funds to be spent on field exploration activities exclusively (December 31, 2010 - $622,308).

At September 30, 2011, the Company had accounts payable and accrued liabilities of $19,123 (December 31, 2010 - $19,638), which are due in the short term (0 – 3 months).

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to risk during the period ended September 30, 2011.

8. CASH

The following is a breakdown of cash balances as at September 30, 2011 and December 31, 2010. The exploration funds raised through the issuance of flow-through shares are required to be spent on mineral exploration related activities in Canada only. As of September 30, 2011, the $750,000 flow-through funds raised as a part of the Qualifying Transaction (note 2) has been fully expended on the Green Bay property.

	September 30, 2011	December 31, 2010
Cash (for general purposes)	$ 217,873	$ 335,748
Cash (flow-through funds for exploration)	-	622,308
	$ 217,873	$ 958,056

(Expressed in Canadian Dollars)

9. ACCOUNTS RECEIVABLE

The Company does not have any revenue. The accounts receivable represented HST paid by the Company.

The following is an aging analysis of the accounts receivable:

	Neither past due nor impaired	Past due but not impaired 31 - 60 days	61 - 90 days	> 90 days	TOTAL
September 30, 2011	$ 10,057	-	-	-	$ 10,057
December 31, 2010	$ 26,119	-	11,013	699	$ 37,831

10. PREPAID EXPENSES

As at September 30, 2011, the Company had prepaid expenses of $13,059, including insurance $7,849, tradeshow expenses $3,944, and software rental $1,266 paid in advance (December 31, 2010 – Nil).

11. EXPLORATION AND EVALUATION ASSETS

Expenditures incurred on the Green Bay mineral property during the periods ended September 30, 2011 and December 31, 2010 were as follows:

	September 30, 2011	December 31, 2010
Balance at beginning of the period	$ 2,352,255	$ -
Additions during the period:		
Acquisition costs	1,750	2,224,563
Exploration costs:		
Drilling	563,275	4,045
Geology	70,476	28,273
Geophysics	-	95,224
Property	2,532	-
Other	410	150
	636,693	127,692
Less:		
Recoveries	(100,000)	-
Net additions	538,443	2,352,255
Balance at the end of the period	**$ 2,890,698**	**$ 2,352,255**

In completion of the Company Qualifying Transaction, consisting of the exercise of an option to acquire an initial 50% undivided interest in Commander's wholly owned Green Bay mineral property in Newfoundland, Canada. The total acquisition cost of $2,224,563 consists of the issuance of 12,000,000 shares at a fair value of $0.18 per share and legal, listing fees and other costs of $64,563 directly related to the completion of the Qualifying Transaction.

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS (Continued)

The Company, at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015, will have the right to acquire the remaining 50% of the Property by issuing an additional 5,000,000 common shares to Commander. Once the Company has completed a minimum of $750,000 in expenditures on the property by April 5, 2012, the Company may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 joint venture between the parties in accordance with standard industry terms, with the Company being the initial operator. As of September 30, 2011, $764,384 has been expended on the property, satisfying this requirement.

12. ACOUNTS PAYABLE AND ACCRUED LIABILITIES

The average credit period of purchases is 1 month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The following is an aging analysis of accounts payable and accrued liabilities:

		Current	31 - 60 days	61 - 90 days	> 90 days		TOTAL
Septemer 30, 2011	$	19,123	-	-	-	$	19,123
December 31, 2010	$	19,638	-	-	-	$	19,638

13. DEFERRED TAX LIABILITIES

A deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

The deferred tax liabilities of $198,750 as of September 30, 2011 were related to the $750,000 flow-through funds the Company renounced on February 21, 2011 at a marginal tax rate of 26.5%.

14. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Company has no debt obligations. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not subject to any externally imposed capital requirements.

The Company raises capital through the issuance of its capital stock to fund identification and evaluation of assets or a business for acquisition. Although the Company has been successful at raising funds in the past through issuance of common shares, there can be no assurance that it will continue to be able to do so in the future.

There were no changes to the Company's approach to capital management during the period ended September 30, 2011.

(Expressed in Canadian Dollars)

15. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

On October 1, 2010, the Company completed a private placement of 5,000,000 flow-through common shares ("FT Shares") at $0.15 for a gross proceed of $750,000. Finder's fees of $34,261 were paid and 326,300 finder's warrants were issued. Each finder's warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.15 at any time prior to October 1, 2012. The Company also acquired its Initial Interest in the Green Bay Property by issuing to Commander 12,000,000 common shares at $0.18 per share on October 1, 2010. The foregoing 12,000,000 shares are being held in escrow.

On February 21, 2011, the Company renounced $750,000 exploration and development expenditure relating to the flow-through funds it raised. The income tax effect of the renunciation was charged to deferred tax expense.

(c) Escrow shares

During the period ended March 31, 2008, the Company issued 1,500,000 common shares at $0.10 per share for total proceeds of $150,000. These common shares are held in escrow under which 10% of the escrowed common shares were released from escrow on the completion of the Qualifying Transaction and an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the Qualifying Transaction. While in escrow, the shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities.

As of September 30, 2011, 375,000 common shares have been released from escrow under the CPC agreement and 3,000,000 common shares have been released from escrow in relation to the acquisition of the Green Bay property.

The Company has the following shares held in escrow as at September 30, 2011:

	Number of Common Shares		Total
	Under CPC Escrow Agreement	Under Acquisition of Green Bay	
Shares held under escrow agreement as of September 23, 2010	1,500,000	12,000,000	13,500,000
Number of shares released on October 1, 2010	(150,000)	(1,200,000)	(1,350,000)
Balance as at December 31, 2010	1,350,000	10,800,000	12,150,000
Number of shares released on April 1, 2011	(225,000)	(1,800,000)	(2,025,000)
Balance as at September 30, 2011	1,125,000	9,000,000	10,125,000

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(d) Stock options

The Company has a 10% rolling stock option plan which allows the board of directors to grant options to directors, officers and consultants.

A summary of the status of the Company's stock options as at September 30, 2011 and December 31, 2010 and changes during the periods then ended are as follows:

	Number of Options	Weighted Average Exercise Price	
Outstanding, April 1, 2010	450,000	$	0.200
Granted	1,200,000	$	0.152
Outstanding, December 31, 2010	1,650,000	$	0.165
Granted	-	$	-
Outstanding, September 30, 2011	1,650,000	$	0.165

There were no stock options granted during the nine months ended September 30, 2011. 1,200,000 stock options were granted during the nine months ended December 31, 2010 as follows:

Grant date	Number of Options granted	Exercise price		Expiry date
October 1, 2010	1,050,000	$	0.15	1-Oct-15
November 26, 2010	150,000	$	0.17	26-Nov-15

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants as follows:

Exercise price	$	0.15
Grant date share price	$	0.18
Risk-free interest rate		1.98%
Expected dividend yield		-
Expected stock price volatility		141%
Expected option life in years		5
Grant date fair value	$	0.16

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

The following is a breakdown of the share-based payments charged to operations on options vested:

	For the Three Months Ended		For the Nine Months Ended	
	Sep 30, 2011	Sep 30, 2010	Sep 30, 2011	Dec 31, 2010
Consulting	$ -	$ -	$ -	$ 73,054
Investor relations	1,363	-	9,147	2,424
Salaries and benefits	-	-	-	109,428
	$ 1,363	$ -	$ 9,147	$ 184,906

There were no stock options exercised during the nine months ended December 31, 2010 nor nine months ended September 30, 2011.

As at September 30, 2011, the Company had stock options outstanding to consultants, directors and officers for the purchase of up to 1,650,000 common shares as follows:

Outstanding Number of Options	Exercisable Number of Options	Expiry Date	Exercise Price	Fair Value at Grant Date	Remaining Contractual Life
450,000	450,000	15-Sep-13	$0.20	$0.13	1.96
1,050,000	1,050,000	01-Oct-15	$0.15	$0.16	4.01
150,000	112,500	26-Nov-15	$0.17	$0.16	4.16
1,650,000	1,612,500				3.45

(e) Agent compensation options

As of September 30, 2011, the Company did not have any agent compensation options outstanding and exercisable (December 31, 2010 – Nil).

There were no changes in agent compensation options during the nine months ended September 30, 2011 and nine months ended December 31, 2010 as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, April 1, 2010	300,000	$0.20
Expired	(300,000)	$0.20
Outstanding, December 31, 2010 and September 30, 2011	-	-

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(f) Finder's warrants

On October 1, 2010, the Company granted 326,300 finder's warrants to a finder of the private placement. The warrants were fair valued at $37,833. There was no finder's warrant granted during the nine months ended September 30, 2011.

A summary of the status of the Company's finder's warrants as at September 30, 2011 and December 31, 2010 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Outstanding, April 1, 2010	-	-	N/A
Issued	326,300	$0.15	01-Oct-12
Outstanding, December 31, 2010 and September 30, 2011	326,300	$0.15	01-Oct-12

The fair value of finder's warrants granted on October 1, 2010 is estimated at the time of the grant using the Black-Scholes pricing model with weighted average assumptions for the grants as follows:

Exercise price	$	0.15
Grant date share price	$	0.18
Risk-free interest rate		1.38%
Expected dividend yield		-
Expected stock price volatility		120%
Expected option life in years		2
Grant date fair value	$	0.12

16. RELATED PARTY TRANSACTIONS

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors. The Company incurred the following fees in the normal course of operations in connection with companies owned by key management and directors for the three and nine months ended September 30, 2011:

	For the Three Months Ended		For the Nine Months Ended	
	Sep 30, 2011	Sep 30, 2010	Sep 30, 2011	Dec 31, 2010
Accounting	$ 6,000	$ -	$ 18,000	$ -
Consulting	24,000	-	55,500	
Geological consulting	12,600	-	37,800	
Legal	6,000	-	18,000	
	$ 48,600	$ -	$ 129,300	$ -

16. RELATED PARTY TRANSACTIONS (Continued)

(a) Trading transactions (Continued)

During the nine months ended September 30, 2011, the Company paid $19,564 to its parent company, Commander, to reimburse office rent and administrative expenses (December 31, 2010 - $10,508 to a company in which a director was a principal). The Company also paid $9,696 to Commander for insurance coverage reimbursement during the nine months ended September 30, 2011 (December 31, 2010 – $Nil).

As at September 30, 2011, included in accounts payable were $3,483 due to Commander for office expenses and conference reimbursements (December 31, 2010 – Nil).

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the nine months ended September 30, 2011 and December 31, 2010 were the same as trading transactions disclosed in note 16(a) above. Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the nine months ended September 30, 2011 and December 31, 2010.

17. IFRS

As stated in note 4, these are the Company's third condensed interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

The accounting policies mentioned in note 5 have been applied in preparing the condensed interim financial statements for the period ended September 30, 2011. Please refer to the audited annual financial statements as at December 31, 2010 and the condensed interim financial statements as at March 31, 2011 for the details on these accounting policies. They are consistent with those used in the preparation of the comparative information presented in these financial statements for the period ended December 31, 2010 and in the preparation of the opening IFRS statement of financial position at April 1, 2010 (the Company's date of transition).

<u>IFRS 1 First-time Adoption of International Financial Reporting Standards</u>

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities taken to retained earnings. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle.

The Company has applied the following exemptions to its opening statement of financial position dated April 1, 2010:

i) Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 share-based payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005.

17. IFRS (Continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards (Continued)

i) Share-based payment transactions (Continued)

The Company has elected not to apply IFRS 2 to awards that vested prior to April 1, 2010, which have been accounted for in accordance with Canadian GAAP.

ii) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has not changed the Company's reported financial position, results of operations, and cash flows. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of comprehensive loss, statement of financial position and statement of cash flows for the period ended December 31, 2010 have been reconciled to IFRS.

Adjustments on transition to IFRS are set out as below

(a) Share-based payments

In accordance with IFRS, the Company transfers the value of the unexercised expired options to deficit. The value of the unexercised agents' options which expired on September 17, 2010 of $26,536 was transferred to deficit.

(b) Flow-through shares

Canadian GAAP – Flow-through shares were recorded at their face value, net of related issuance costs. On the date the tax credits were renounced, a future tax liability was recognized as a cost of issuing the shares.

IFRS – Flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits. The tax portion of the 5,000,000 flow-through shares issued on October 1, 2010 amounted to $327,750. This amount was included as an other liability at December 31, 2010 and subsequently recognized as a deferred tax recovery during the quarter ended March 31, 2011.

(Expressed in Canadian Dollars)

17. IFRS (Continued)

The April 1 and December 31, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

		April 1, 2010			December 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets							
Current assets							
Cash		$ 508,172	$	$ 508,172	$ 958,056	$	$ 958,056
Accounts receivable		1,012		1,012	37,831		37,831
Prepaid expenses		22,421		22,421	-		-
Total current assets		531,605	-	531,605	995,887	-	995,887
Non-current assets							
Deferred costs		-		-	-		-
Exploration and evaluation assets		-		-	2,352,255		2,352,255
Furniture and Fixtures		-		-	345		345
Total non-current assets		-	-	-	2,352,600	-	2,352,600
Total assets		$ 531,605	$ -	$ 531,605	$ 3,348,487	$ -	$ 3,348,487
Liabilities and Shareholders' Equity							
Current liabilities							
Accounts payable and accrued liabilities		$ 264	$	$ 264	$ 19,638	$	$ 19,638
Other liability	17(b)	-		-	-	327,750	327,750
Total liabilities		264	-	264	19,638	327,750	347,388
Shareholders' Equity							
Capital Stock	17(b)	599,785		599,785	3,437,691	(327,750)	3,109,941
Contributed Surplus	17(a)	26,536		26,536	64,369	(26,536)	37,833
Share-based payments reserve		58,898		58,898	243,804		243,804
Deficit	17(a)	(153,878)		(153,878)	(417,015)	26,536	(390,479)
Total shareholders' equity		531,341	-	531,341	3,328,849	(327,750)	3,001,099
Total liabilities and shareholders' equity		**$ 531,605**	**$ -**	**$ 531,605**	**$ 3,348,487**	**$ -**	**$ 3,348,487**

(Expressed in Canadian Dollars)

17. IFRS (Continued)

There has been no effect of transition to IFRS from the Canadian GAAP statement of operations and statement of comprehensive loss for the three months ended September 30, 2010 and nine months ended December 31, 2010:

	Three Months Ended Sep 30, 2010			Nine Months Ended Dec 31, 2010		
	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS
Expenses						
Accounting and audit	$ 1,500	$ -	$ 1,500	$ 32,180	$ -	$ 32,180
Administration and others	7,883		7,883	24,433		24,433
Amortization	-		-	61		61
Consultants	-		-	5,000		5,000
Investor relations and promotion	-		-	7,420		7,420
Legal	63		63	9,137		9,137
Share-based payments	-		-	184,906		184,906
Net Loss and Comprehensive Loss for Period	**(9,446)**	**-**	**(9,446)**	**(263,137)**	**-**	**(263,137)**
Loss Per Share, Basic and Diluted	**$ (0.002)**	**$ -**	**$ (0.002)**	**$ (0.026)**	**$ -**	**$ (0.026)**
Weighted Average Number of Common Shares Outstanding	**4,500,000**	**-**	**4,500,000**	**10,125,455**	**-**	**10,125,455**

(Expressed in Canadian Dollars)

17. IFRS (continued)

The following is the reconciliation of the statements of cash flows for the three months ended September 30, 2010 and nine months ended December 31, 2010:

		Three Months Ended Sep 30, 2010			Nine Months Ended Dec 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Net loss		$ (9,446)	$ -	$ (9,446)	$ (263,137)	$ -	$ (263,137)
Items not involving cash			.			.	
Amortization		-		-	61		61
Stock-based compensation		-		-	184,906		184,906
		(9,446)	-	(9,446)	(78,170)	-	(78,170)
Changes in non-cash working capital							
Accounts receivable		(2,521)		(2,521)	(36,819)		(36,819)
Prepaid expenses		6,910		6,910	22,420		22,420
Accounts payable and accrued liabilities		(16,765)		(16,765)	19,375		19,375
Other liability	17(b)	-		-	-	327,750	327,750
		(12,376)	-	(12,376)	4,976	327,750	332,726
Cash Used in Operating Activities		(21,822)	-	(21,822)	(73,194)	327,750	254,556
Investing activities							
Mineral property acquisition and exploration costs		-		-	(192,255)		(192,255)
Purchase of furniture and fixtures		-		-	(406)		(406)
Cash Used in Investing Activities		-	-	-	(192,661)	-	(192,661)
Financing Activity							
Issuance of common shares, net of share issue costs	17(b)	-		-	715,739	(327,750)	387,989
Cash Used in Financing Activities		-	-	-	715,739	(327,750)	387,989
Inflow (Outflow) of Cash		(21,822)		(21,822)	449,884		449,884
Cash, Beginning of Period		481,006		481,006	508,172		508,172
Cash, End of Period		**$ 459,184**	**$ -**	**$ 459,184**	**$ 958,056**	**$ -**	**$ 958,056**
Supplemental Cash Flow Information							
Non-Cash Financing Activities							
Shares issued for mineral property		$ -	$ -	$ -	$ 2,160,000	$ -	$ 2,160,000
Fair value of finder's warrants included in capital stock		$ -	$ -	$ -	$ 37,833	$ -	$ 37,833

18. SUBSEQUENT EVENTS

On October 4, 2011, the company released from escrow 1,800,000 common shares to Commander Resources Ltd. This is the third release from escrow pursuant to the terms of the escrow agreement dated September 23, 2010.

On November 4, 2011, the Company reported receiving a report from CAE Mining Corp. (formerly Datamine) identifying a preliminary estimate of gold mineralization that remained at the formerly producing Hammerdown mine located on the Green Bay property, Newfoundland. The report indicated a possible mineralized deposit ranging from 360,000 to 480,000 ounces of gold remaining at Hammerdown. The potential quantity and grade is conceptual in nature and, in accordance with NI 43-101 guidelines, it is uncertain if further exploration will result in the target being delineated as a mineral resource.

19. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the presentation adopted for the current period.

MARITIME

RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended
June 30, 2011
(Expressed in Canadian Dollars)
(Unaudited)

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MARITIME RESOURCES CORP.

Notice

Notice of No Auditor Review of the Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Maritime Resources Corp. ("the Company"), for the six months ended June 30, 2011, have been prepared by management and have not been the subject of a review by the Company's independent auditor.

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	For the Three Months		For the Six Months	
	Jun 30, 2011	**Jun 30, 2010**	**Jun 30, 2011**	**Sep 30, 2010**
Expenses				
Accounting and audit	$ 14,060	$ 9,180	$ 25,950	$ 10,680
Administration and others	22,584	8,429	43,603	16,312
Consultants	24,000	-	31,500	-
Investor relations and promotion	11,447	-	35,262	-
Legal	6,000	3,665	16,704	3,728
Share-based compensation	2,684	-	7,783	-
Loss Before Deferred Income Tax Recovery	(80,775)	(21,274)	(160,802)	(30,720)
Deferred income tax recovery	-	-	129,000	-
Loss and Comprehensive Loss for the Period	**$ (80,775)**	**$ (21,274)**	**$ (31,802)**	**$ (30,720)**
Loss Per Share				
Basic	$ (0.004)	$ (0.005)	$ (0.001)	$ (0.007)
Diluted	$ (0.004)	$ (0.005)	$ (0.001)	$ (0.007)
Weighted Average Number of Common Shares Outstanding				
Basic	21,500,000	4,500,000	21,500,000	4,500,000
Diluted	23,476,300	4,500,000	23,476,300	4,500,000

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	Note	June 30, 2011	December 31, 2010 (Note 17)	April 1, 2010 (Note 17)
Assets				
Current assets				
Cash	8	$ 282,648	$ 958,056	$ 508,172
Accounts receivable	9	57,007	37,831	1,012
Prepaid expenses	10	5,622	-	22,421
		345,277	995,887	531,605
Exploration and evaluation assets	11	2,860,304	2,352,255	-
Furniture and fixtures	12	-	345	-
		$ 3,205,581	$ 3,348,487	$ 531,605
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	13	$ 29,751	$ 19,638	$ 264
Other liability		-	327,750	-
		29,751	347,388	264
Deferred tax liabilities		198,750	-	-
		228,501	347,388	264
Shareholders' Equity				
Capital stock	15	3,109,941	3,109,941	599,785
Contributed surplus		37,833	37,833	26,536
Share-based payments reserve		251,587	243,804	58,898
Deficit		(422,281)	(390,479)	(153,878)
		2,977,080	3,001,099	531,341
		$ 3,205,581	$ 3,348,487	$ 531,605

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board:

"Eric W. Norton"
…………………………………………………… Director
Eric W. Norton

"David J. McCue"
…………………………………………………… Director
David J. McCue

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	For the Three Months		For the Six Months	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Sep 30, 2010
Net loss	$ (80,775)	$ (21,274)	$ (31,802)	$ (30,720)
Items not involving cash				
Reclassification of furniture and fixtures	324	-	345	-
Share-based payments reserve	2,684	-	7,783	-
Deferred income tax recovery	-	-	(129,000)	-
	(77,767)	(21,274)	(152,674)	(30,720)
Changes in non-cash working capital				
Accounts receivable	9,007	(2,969)	(19,176)	(5,489)
Prepaid expenses	2,652	4,497	(5,622)	11,407
Accounts payable and accrued liabilities	2,935	22,954	15,501	6,188
	14,594	24,482	(9,297)	12,106
Cash Provided (Used) in Operating Activities	(63,173)	3,208	(161,971)	(18,614)
Investing activities				
Mineral property acquisition and exploration costs	(283,019)	-	(508,049)	-
Accounts payable related to exploration and evaluation assets	(85,997)	-	(5,388)	-
Cash Used in Investing Activities	(369,016)	-	(513,437)	-
Financing Activity				
Deferred costs	-	(30,374)	-	(30,374)
Cash Used in Financing Activities	-	(30,374)	-	(30,374)
Outflow of Cash	(432,189)	(27,166)	(675,408)	(48,988)
Cash, Beginning of Period	714,837	508,172	958,056	508,172
Cash, End of Period	$ 282,648	$ 481,006	$ 282,648	$ 459,184
Supplemental Cash Flow Information				
Exploration and evaluation assets accrued in accounts payable and accrued liabilities	$ 5,388	$ -	$ 5,388	$ -

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	Note	Capital Stock Shares	Capital Stock Amount	Contributed Surplus	Share-based Payments Reserve	Deficit	Total Shareholders' Equity
Balance, April 1, 2010		4,500,000	599,785	26,536	58,898	(153,878)	531,341
Net loss for the period						(30,720)	(30,720)
Non-cash transactions							
Reclassification of option compensation on expired options				(26,536)		26,536	-
Balance, September 30, 2010	17	**4,500,000**	**$ 599,785**	**$ -**	**$ 58,898**	**$ (158,062)**	**$ 500,621**
Net loss for the period						(232,417)	(232,417)
Shares issued for cash							
Private placement		5,000,000	422,250				422,250
Share issue costs			(34,261)				(34,261)
Finder's warrants			(37,833)	37,833			-
Non-cash transactions							
Shares issued for the acquisition of the		12,000,000	2,160,000				2,160,000
Share-based payments					184,906		184,906
Balance, December 31, 2010	17	**21,500,000**	**3,109,941**	**37,833**	**243,804**	**(390,479)**	**3,001,099**
Net income for the period						(31,802)	(31,802)
Non-cash transaction							
Share-based payments					7,783		7,783
Balance, June 30, 2011		**21,500,000**	**$ 3,109,941**	**$ 37,833**	**$ 251,587**	**$ (422,281)**	**$ 2,977,080**

1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (formerly BMB Capital Corp.) (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on May 14, 2007 and until October 5, 2010 was classified as a capital pool corporation as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal activities of the Company are the exploration and development of the Orion gold deposit in Green Bay, Newfoundland, Canada.

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain profitable operations.

For the six months ended June 30, 2011, the Company reported a net loss of $31,803 (six months ended September 30, 2010 – $30,720), and at June 30, 2011 had a deficit of $422,281 (December 31, 2010 - $390,479). The Company also had working capital of $315,527 (December 31, 2010 - $648,499). Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions.

2. QUALIFYING TRANSACTION

Effective October 5, 2010, the Company completed its Qualifying Transaction by exercising an option to acquire an initial 50% undivided interest (the "Initial Interest") in Commander Resources Ltd.'s ("Commander") wholly owned Green Bay mineral property (the "Property") in Newfoundland, Canada. The Company issued Commander 12,000,000 common shares and completed an equity financing for $750,000. The option agreement, dated June 14, 2010, between the Company and Commander, provides the Company with the further option of increasing its ownership in the Property to 100% at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015 by issuing an additional 5,000,000 common shares to Commander. Once the Company has completed a minimum of $750,000 in expenditures by April 5, 2012, the Company may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 joint venture between the parties in accordance with standard industry terms, with the Company being the initial operator.

3. ECONOMIC DEPENDENCE AND CHANGE IN YEAR-END

As a result of the Qualifying Transaction, Commander owns 55.81% of the Company's issued and outstanding shares. During the period ended December 31, 2010, the Company changed its fiscal year-end from March 31 to December 31. The Company's new financial year-end coincides with the year-end of Commander.

The condensed interim financial statements presented are for the six months ended June 30, 2011 and September 30, 2010. The IFRS transition date for the Company was April 1, 2010.

4. STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with International Accounting Standards Interim Financial Reporting ("IAS 34") and First-time Adoption of International Financial Reporting Standards ("IFRS 1"). These financial statements do not include all of the information required for full annual financial statements.

The accounting policies set out below have been applied consistently to all periods presented in preparing the opening statement of financial position at April 1, 2010 for purpose of transition to IFRS.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 17.

The statements of comprehensive income and cash flows include comparative figures for the three months ended June 30, 2010 and six months ended September 30, 2010 which are the Company's operating results and cash flows for the comparative months of the prior year, to provide readers with actual operating results on the same basis as those reported by the Company for the current quarter.

The condensed financial statements were authorized for issue by the Board of Directors on August 15, 2011.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at December 31, 2010 excepted as noted below. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2010.

The Company's principal accounting policies are outlined below:

(a) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Use of estimates (Continued)

Significant areas requiring the use of estimates include the fair values of financial instruments, collectability of accounts receivable, the balances of accrued liabilities, impairment of exploration and evaluation assets, determination of the valuation allowance for deferred tax assets and the assumptions used in the determination of the fair value of share-based payments, agent compensation options and finder's warrants. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(b) Functional and presentation currencies

The Canadian dollar ("$") is both the Company's functional currency and presentation currency.

(c) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and non-employees. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. For directors and employees, the fair value of the options is measured at the date of grant. 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 offset to the recorded cost is to share-based payments reserve. 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. Upon expiry, the recorded value is transferred to deficit.

(d) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its resource exploration activities. Canadian income tax law permits the Company to renounce to the flow-through shareholders the income tax attributes of resource exploration costs financed by such shares. Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as an other liability which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded prospectively upon renunciation of the related tax benefits, provided it is expected the Company will incur the required eligible expenditures.

When flow-through expenditures are renounced, a portion of the future income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of deferred income taxes in the statements of comprehensive income.

(f) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to calculate diluted earnings per share. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants if they would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

(g) Comprehensive income

Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive income and components of other comprehensive income are presented in the statements of comprehensive income and the statements of changes in equity.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Exploration and evaluation assets

All costs related to the acquisition of, exploration for and development of mineral properties, net of recoveries, are capitalized on a property-by-property basis. If economically recoverable ore reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is abandoned, all related costs are written-off to operations. 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 fair value. A mineral property interest is reviewed at each statement of financial position date for impairment or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(i) Property, plant and equipment

(i) Furniture and fixtures

Furniture and fixtures are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded using the straight-line method over five years. The Company has implemented an accounting policy of expensing purchases under $500.

(ii) Subsequent costs

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

(iii) Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

(iv) Reversal of impairment

An impairment loss is reversed if there is an indication that 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 amortization, if no impairment loss had been recognized.

(j) Cash and cash equivalents

Cash and cash equivalents consist of deposits in a Canadian financial institution.

(k) Financial assets and financial liabilities

i. Financial assets

Financial assets are classified into one of four categories:

- fair value through profit or loss ("FVTPL");
- held-to-maturity ("HTM");
- available for sale ("AFS"); and,
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) FVTPL financial assets

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified cash as FVTPL financial assets.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets and financial liabilities (Continued)

i. Financial assets (Continued)

(ii) HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

(iii) AFS financial assets

Short-term investments and other assets held are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive income is included in profit or loss for the period. The Company does not have any assets classified as AFS financial assets.

(iv) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the period in which they are identified. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

(v) Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets and financial liabilities (Continued)

i. Financial assets (Continued)

(vi) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. 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 asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is 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 all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the bad debt account. Subsequent recoveries of amounts previously written off are credited against the bad debt account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

(vii) Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets and financial liabilities (Continued)

ii. Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The Company has classified trade and other payables, short-term financial liabilities and long-term financial liabilities as other financial liabilities.

(ii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

iii. Financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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 (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(l) Environmental rehabilitation

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Environmental rehabilitation (Continued)

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

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

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

At present, the Company has determined that it has no material asset retirement obligations to be recorded in these financial statements.

(m) 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(n) Segmented information

The Company conducts its business as a single operating segment being the mining business in Canada. All mineral properties and equipment are situated in Canada.

(o) Accounting standards issued but not yet effective

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

(i) IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the International Accounting Standards Board ("IASB") work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2013.

(Expressed in Canadian Dollars)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Accounting standards issued but not yet effective (Continued)

(i) IFRS 9 Financial Instruments: Classification and Measurement (Continued)

In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

6. FINANCIAL INSTRUMENTS

The Company has classified its cash as fair value through profit or loss; accounts receivable as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The following is a breakdown of the Company's financial instruments as at June 30, 2011 and December 31, 2010:

	June 30, 2011	December 31, 2010
Financial assets		
Cash	$ 282,649	$ 958,056
Accounts receivable	57,007	37,831
	$ 339,656	$ 995,887
Financial liabilities		
Accounts payable and accrued liabilities	$ 29,751	$ 19,638
	$ 29,751	$ 19,638

7. FINANCIAL RISK MANAGEMENT

(a) Credit risk

The Company is exposed to credit risk with respect to its cash and accounts receivable.

The Company's maximum exposure to credit risk is as follows:

	June 30, 2011	December 31, 2010
Cash	$ 282,649	$ 958,056
Accounts receivable	1,400	11,712
	$ 284,049	$ 969,768

7. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The Company manages credit risk with respect to its cash by maintaining deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company has cash at June 30, 2011 in the amount of $282,649 December 31, 2010 - $958,056), of which $16,009 (December 31, 2010 - $622,308) were flow-through funds to be spent on field exploration activities exclusively. The Company believes it has sufficient funds to meet its short-term business requirements.

At June 30, 2011, the Company had accounts payable and accrued liabilities of 29,751 (December 31, 2010 - $19,638), which are due in the short term (0 – 3 months).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(Expressed in Canadian Dollars)

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to risk during the period ended June 30, 2011.

8. CASH

As at June 30, 2011, included in the cash balance was an amount of $16,009 (December 31, 2010 - $622,308) for exploration funds which were raised through the issuance of flow-through shares. The exploration funds are required to be spent on mineral exploration related activities in Canada only.

The following is a breakdown of cash balances as at June 30, 2011 and December 31, 2010:

		June 30, 2011		December 31, 2010
Cash (for general purposes)	$	266,640	$	335,748
Cash (flow-through funds for exploration)		16,009		622,308
	$	282,649	$	958,056

9. ACCOUNTS RECEIVABLE

The Company does not have any revenue. The accounts receivable represented HST paid by the Company except for a damage deposit of $1,400.

The following is an aging analysis of the accounts receivable:

		Neither past due nor impaired	Past due but not impaired 31 - 60 days	61 - 90 days	> 90 days		TOTAL
June 30, 2011	$	57,007	-	-	-	$	57,007
December 31, 2010	$	26,119	-	11,013	699	$	37,831

10. PREPAID EXPENSES

As at June 30, 2011, the Company had prepaid expenses of $5,622, including $3,165 prepaid geo-software rental and $2,240 legal advisor retainer paid in advance (December 31, 2010 – Nil).

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS

Expenditures incurred on the Orion, Green Bay mineral property during the periods ended June 30, 2011 and December 31, 2010 were as follows:

Green Bay Property, Newfoundland		June 30, 2011		December 31, 2010
Balance as at the beginning of the period	$	2,352,255	$	-
Additions during the period:				
Acquisition costs		1,750		2,224,563
Exploration costs:				
Drilling		560,183		4,045
Geology		46,037		28,273
Geophysics		-		95,224
Other		79		150
		606,299		127,692
Less:				
Recoveries		(100,000)		-
Net additions		508,049		2,352,255
Balance as at the end of the period	**$**	**2,860,304**	**$**	**2,352,255**

In completion of the Company Qualifying Transaction, consisting of the exercise of an option to acquire an initial 50% undivided interest in Commander's wholly owned Green Bay mineral property in Newfoundland, Canada. The total acquisition cost of $2,224,563 consists of the issuance of 12,000,000 shares at a fair value of $0.18 per share and legal, listing fees and other costs of $64,563 directly related to the completion of the Qualifying Transaction.

The Company, at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015, will have the right to acquire the remaining 50% of the Property by issuing an additional 5,000,000 common shares to Commander. Once the Company has completed a minimum of $750,000 in expenditures on the property by April 5, 2012, the Company may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 joint venture between the parties in accordance with standard industry terms, with the Company being the initial operator.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS (Continued)

Environmental (Continued)

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the properties may be diminished or negated.

Title to resource properties

Although the Company has taken steps to verify the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

Resource properties comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

12. FURNITURE AND FIXTURES

The Company's current balance of furniture and fixtures is $nil as a result of reclassification to comply with the Company's policy (Note 5 (i)(i)) (December 31, 2010 – $345).

13. ACOUNTS PAYABLE AND ACCRUED LIABILITIES

The average credit period of purchases is 1 month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The following is an aging analysis of accounts payable and accrued liabilities:

		Current	31 - 60 days	61 - 90 days	> 90 days		TOTAL
June 30, 2011	$	29,751	-	-	-	$	29,751
December 31, 2010	$	19,638	-	-	-	$	19,638

14. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Company has no debt obligations. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not subject to any externally imposed capital requirements.

The Company raises capital through the issuance of its capital stock to fund identification and evaluation of assets or a business for acquisition. Although the Company has been successful at raising funds in the past through issuance of common shares, there can be no assurance that it will continue to be able to do so in the future.

There were no changes to the Company's approach to capital management during the period ended June 30, 2011.

15. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

On October 1, 2010, the Company completed a private placement of 5,000,000 flow-through common shares ("FT Shares") at $0.15 for a gross proceed of $750,000. Finder's fees of $34,261 were paid and 326,300 finder's warrants were issued. Each finder's warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.15 at any time prior to October 1, 2012. The Company also acquired its Initial Interest in the Green Bay Property by issuing to Commander 12,000,000 common shares at $0.18 per share on October 1, 2010. The foregoing 12,000,000 shares are being held in escrow.

On February 21, 2011, the Company renounced $750,000 exploration and development expenditure relating to the flow-through funds it raised. The income tax effect of the renunciation was charged to deferred tax expense.

(c) Escrow shares

During the period ended March 31, 2008, the Company issued 1,500,000 common shares at $0.10 per share for total proceeds of $150,000. These common shares are held in escrow under which 10% of the escrowed common shares were released from escrow on the completion of the Qualifying Transaction and an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the Qualifying Transaction. While in escrow, the shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities.

On April 1, 2011, 225,000 common shares were released from escrow under the CPC agreement and 1,800,000 common shares were released from escrow in relation to the acquisition of the Green Bay property.

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(c) Escrow shares (Continued)

The Company has the following shares held in escrow as at June 30, 2011:

	Number of Common Shares		Total
	Under CPC Escrow Agreement	Under Acquisition of Green Bay	
Shares held under escrow agreement as of September 23, 2010	1,500,000	12,000,000	13,500,000
Number of shares released on October 1, 2010	(150,000)	(1,200,000)	(1,350,000)
Balance as at December 31, 2010	1,350,000	10,800,000	12,150,000
Number of shares released on April 1, 2011	(225,000)	(1,800,000)	(2,025,000)
Balance as at June 30, 2011	1,125,000	9,000,000	10,125,000

(d) Stock options

The Company has a 10% rolling stock option plan which allows the board of directors to grant options to directors, officers and consultants.

A summary of the status of the Company's stock options as at June 30, 2011 and December 31, 2010 and changes during the periods then ended are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, April 1, 2010	450,000	$ 0.200
Granted	1,200,000	$ 0.152
Outstanding, December 31, 2010	1,650,000	$ 0.165
Granted	-	$ -
Outstanding, June 30, 2011	1,650,000	$ 0.165

There was no stock option granted during the six months ended June 30, 2011. 1,200,000 stock options were granted during the nine months ended December 31, 2010 as follows:

Grant date	Number of Options granted	Exercise price	Expiry date
October 1, 2010	1,050,000	$ 0.15	1-Oct-15
November 26, 2010	150,000	$ 0.17	26-Nov-15

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants as follows:

Exercise price	$	0.15
Grant date share price	$	0.18
Risk-free interest rate		1.98%
Expected dividend yield		-
Expected stock price volatility		141%
Expected option life in years		5
Grant date fair value	$	0.16

The following is a breakdown of the share-based payments charged to operations on options vested:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	September 30, 2010
Investor relations	$ 2,684	-	$ 7,783	-
	$ 2,684	**$ -**	**$ 7,783**	**$ -**

There were no stock options exercised during the nine months ended December 31, 2010 nor six months ended June 30, 2011.

As at June 30, 2011, the Company had stock options outstanding to consultants, directors and officers for the purchase of up to 1,650,000 common shares as follows:

Outstanding Number of Options	Exercisable Number of Options	Expiry Date	Exercise Price	Fair Value at Grant Date	Remaining Contractual Life
450,000	450,000	15-Sep-13	$0.20	$0.13	2.21
1,050,000	1,050,000	01-Oct-15	$0.15	$0.16	4.26
150,000	112,500	26-Nov-15	$0.17	$0.16	4.41
1,650,000	1,612,500				3.70

(e) Agent compensation options

As at June 30, 2011, the Company did not have any agent compensation options outstanding and exercisable (December 31, 2010 – Nil).

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(e) Agent compensation options (Continued)

There were no changes in agent compensation options during the six months ended June 30, 2011 and nine months ended December 31, 2010 as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, April 1, 2010	300,000	$0.20
Expired	(300,000)	$0.20
Outstanding, December 31, 2010 and June 30, 2011	-	-

(f) Finder's warrants

On October 1, 2010, the Company granted 326,300 finder's warrants to a finder of the private placement. The warrants were fair valued at $37,833. There was no finder's warrant granted during the six months ended June 30, 2011.

A summary of the status of the Company's finder's warrants as at June 30, 2011 and December 31, 2011 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Outstanding, April 1, 2010	-	-	N/A
Issued	326,300	$0.15	01-Oct-12
Outstanding, December 31, 2010 and June 30, 2011	326,300	$0.15	01-Oct-12

The fair value of finder's warrants granted on October 1, 2010 is estimated at the time of the grant using the Black-Scholes pricing model with weighted average assumptions for the grants as follows:

Exercise price	$	0.15
Grant date share price	$	0.18
Risk-free interest rate		1.38%
Expected dividend yield		-
Expected stock price volatility		120%
Expected option life in years		2
Grant date fair value	$	0.12

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors. The Company incurred the following fees in the normal course of operations in connection with companies owned by key management and directors for the three and six months ended June 30, 2011:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	September 30, 2010
Accounting	$ 6,000	$ -	$ 12,000	$ -
Consulting	24,000	-	31,500	-
Geological consulting	12,600	-	25,200	-
Legal	6,000	-	12,000	-
	$ 48,600	$ -	$ 80,700	$ -

During the six months ended June 30, 2011, the Company paid $12,665 to its parent company, Commander, to reimburse office rent and administrative expenses (September 30, 2010 - $9,008 to a company in which a director was a principal). The Company also paid $7,631 to Commander for insurance coverage reimbursement during the six months ended June 30, 2011 (September 30, 2010 – $Nil).

As at June 30, 2011, included in accounts payable were $4,704 geological consulting fee due to a company in which a director is a principal (December 31, 2010 - $Nil) and $7,924 due to Commander for insurance and office expense reimbursements (December 31, 2010 – Nil).

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the six months ended June 30, 2011 and September 30, 2010 were the same as trading transactions disclosed in Note 16(a) above. Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the six months ended June 30, 2011 and September 30, 2010.

17. IFRS

As stated in note 4, these are the Company's first condensed interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

The accounting policies set out in note 5 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 September 30, 2010 and in the preparation of an opening IFRS statement of financial position at April 1, 2010 (the Company's date of transition) and the statement of financial position as at December 31, 2010.

17. IFRS (Continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities taken to retained earnings. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle.

The Company has applied the following exemptions to its opening statement of financial position dated April 1, 2010:

(a) Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 share-based payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to April 1, 2010, which have been accounted for in accordance with Canadian GAAP.

(b) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has not changed the Company's reported financial position, results of operations, and cash flows. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of comprehensive income, statement of financial position and statement of cash flows for the periods ended September 30, 2010 and December 31, 2010 have been reconciled to IFRS.

Adjustments on transition to IFRS are set out as below

(a) Share-based payments

In accordance with IFRS, the Company transfers the value of the unexercised expired options to deficit. The value of the unexercised agents' options which expired on September 17, 2010 of $26,536 was transferred to deficit.

(b) Flow-through shares

Canadian GAAP – Flow-through shares were recorded at their face value, net of related issuance costs. On the date the tax credits were renounced, a future tax liability was recognized as a cost of issuing the shares.

(Expressed in Canadian Dollars)

17. IFRS (Continued)

(b) Flow-through shares (Continued)

IFRS – Flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits. The tax portion of the 5,000,000 flow-through shares issued on October 1, 2010 amounted to $327,750. This amount was included as an other liability at December 31, 2010 and subsequently recognized as a deferred tax recovery during the quarter ended March 31, 2011.

The April 1, September 30, and December 31, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

		April 1, 2010			Sep 30, 2010			December 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets										
Current assets										
Cash		$ 508,172	$	$ 508,172	$ 459,184	$	$ 459,184	$ 958,056	$	$ 958,056
Accounts receivable		1,012		1,012	6,502		6,502	37,831		37,831
Prepaid expenses		22,421		22,421	11,013		11,013	-		-
Total current assets		531,605	-	531,605	476,699	-	476,699	995,887	-	995,887
Non-current assets										
Deferred costs		-		-	30,374		30,374	-		-
Exploration and evaluation assets		-		-	-		-	2,352,255		2,352,255
Furniture and Fixtures		-		-	-		-	345		345
Total non-current assets		-	-	-	30,374	-	30,374	2,352,600	-	2,352,600
Total assets		$ 531,605	$ -	$ 531,605	$ 507,073	$ -	$ 507,073	$ 3,348,487	$ -	$ 3,348,487
Liabilities and Shareholders' Equity										
Current liabilities										
Accounts payable and accrued liabilities		$ 264	$	$ 264	$ 6,452	$	$ 6,452	$ 19,638	$	$ 19,638
Other liability	17(b)	-		-	-		-	-	327,750	327,750
Total liabilities		264	-	264	6,452	-	6,452	19,638	327,750	347,388
Shareholders' Equity										
Capital Stock	17(b)	599,785		599,785	599,785		599,785	3,437,691	(327,750)	3,109,941
Contributed Surplus	17(a)	26,536		26,536	26,536	(26,536)	-	64,369	(26,536)	37,833
Share-based payments reserve		58,898		58,898	58,898		58,898	243,804		243,804
Deficit	17(a)	(153,878)		(153,878)	(184,598)	26,536	(158,062)	(417,015)	26,536	(390,479)
Total shareholders' equity		531,341	-	531,341	500,621	-	500,621	3,328,849	(327,750)	3,001,099
Total liabilities and shareholders' equity		**$ 531,605**	**$ -**	**$ 531,605**	**$ 507,073**	**$ -**	**$ 507,073**	**$ 3,348,487**	**$ -**	**$ 3,348,487**

(Expressed in Canadian Dollars)

17. IFRS (Continued)

The Canadian GAAP statement of operations and statement of comprehensive loss for the three months ended June 30, 2010, six months ended September 30, 2010 and nine months ended December 31, 2010 have been reconciled to IFRS as follows:

	Three Months Ended Jun 30, 2010			Six Months Ended Sep 30, 2010			Nine Months Ended Dec 31, 2010		
	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS
Expenses									
Accounting and audit	$ 9,180	$ -	$ 9,180	$ 10,680	$ -	$ 10,680	$ 32,180	$ -	$ 32,180
Administration and others	8,429		8,429	16,312		16,312	24,433		24,433
Amortization	-		-	-		-	61		61
Consultants	-		-	-		-	5,000		5,000
Investor relations and promotion	-		-	-		-	7,420		7,420
Legal	3,665		3,665	3,728		3,728	9,137		9,137
Share-based payments	-		-	-		-	184,906		184,906
Loss Before Other Items	(21,274)	-	(21,274)	(30,720)	-	(30,720)	(263,137)	-	(263,137)
Other Items									
Write-off of loan receivable	-		-	-		-	-		-
Net Loss and Comprehensive Loss for Period	**(21,274)**	**-**	**(21,274)**	**(30,720)**	**-**	**(30,720)**	**(263,137)**	**-**	**(263,137)**
Loss Per Share, Basic and Diluted	**$ (0.005)**	**$ -**	**$ (0.005)**	**$ (0.007)**	**$ -**	**$ (0.007)**	**$ (0.026)**	**$ -**	**$ (0.026)**
Weighted Average Number of Common Shares Outstanding	**4,500,000**	**-**	**4,500,000**	**4,500,000**	**-**	**4,500,000**	**10,125,455**	**-**	**10,125,455**

(Expressed in Canadian Dollars)

17. IFRS (continued)

The following is the reconciliation of the statements of cash flows for the three months ended June 30, 2010, six months ended September 30, 2010 and nine months ended December 31, 2010:

		Three Months Ended Jun 30, 2010			Six Months Ended Sep 30, 2010			Nine Months Ended Dec 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Net loss		$ (21,274)	$ -	$ (21,274)	$ (30,720)	$ -	$ (30,720)	$ (263,137)	$ -	$ (263,137)
Items not involving cash			.						.	
Amortization		-		-	-		-	61		61
Stock-based compensation		-		-	-		-	184,906		184,906
		(21,274)	-	(21,274)	(30,720)	-	(30,720)	(78,170)	-	(78,170)
Changes in non-cash working capital										
Accounts receivable		(2,969)		(2,969)	(5,489)		(5,489)	(36,819)		(36,819)
Prepaid expenses		4,497		4,497	11,407		11,407	22,420		22,420
Accounts payable and accrued liabilities		22,954		22,954	6,188		6,188	19,375		19,375
Other liability	17(b)	-		-	-		-	-	327,750	327,750
		24,482	-	24,482	12,106	-	12,106	4,976	327,750	332,726
Cash Used in Operating Activities		3,208	-	3,208	(18,614)	-	(18,614)	(73,194)	327,750	254,556
Investing activities										
Mineral property acquisition and exploration costs		-		-	-		-	(192,255)		(192,255)
Purchase of furniture and fixtures		-		-	-		-	(406)		(406)
Cash Used in Investing Activities		-	-	-	-	-	-	(192,661)	-	(192,661)
Financing Activity										
Issuance of common shares, net of share issue costs	17(b)	-		-	-		-	715,739	(327,750)	387,989
Deferred costs		(30,374)		(30,374)	(30,374)		(30,374)		-	-
Cash Used in Financing Activities		(30,374)	-	(30,374)	(30,374)	-	(30,374)	715,739	(327,750)	387,989
Inflow (Outflow) of Cash		(27,166)		(27,166)	(48,988)		(48,988)	449,884		449,884
Cash, Beginning of Period		508,172		508,172	508,172		508,172	508,172		508,172
Cash, End of Period		**$ 481,006**	**$ -**	**$ 481,006**	**$ 459,184**	**$ -**	**$459,184**	**$ 958,056**	**$ -**	**$ 958,056**
Supplemental Cash Flow Information										
Non-Cash Financing Activities										
Shares issued for mineral property		$ -	$ -	$ -	$ -	$ -	$ -	$2,160,000	$ -	$ 2,160,000
Fair value of finder's warrants included in capital stock		$ -	$ -	$ -	$ -	$ -	$ -	$ 37,833	$ -	$ 37,833

18. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the presentation adopted for the current period.

“Amended and Restated”

MARITIME RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended
March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

“Amended and Restated”

MARITIME RESOURCES CORP.

Notice

Notice of No Auditor Review of the Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Maritime Resources Corp. (“the Company”), for the three months ended March 31, 2011, have been prepared by management and have not been the subject of a review by the Company’s independent auditor.

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Comprehensive Income

For the Three Months Ended March 31, 2011 and June 30, 2010

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	For the Three Months Ended	
	March 31, 2011	**June 30, 2010** (note 17)
Expenses		
Accounting and audit	$ 11,890	$ 9,180
Amortization	21	-
Annual report and meeting	276	-
Consultants	7,500	-
Investor relations and promotion	23,815	-
Legal	10,704	3,665
Office and miscellaneous	5,379	204
Regulatory and transfer agent fees	9,400	3,725
Rent and storage	5,942	4,500
Share-based payments	5,099	-
Loss Before Deferred Income Tax Recovery	(80,026)	(21,274)
Deferred Income Tax Recovery	129,000	-
Net Income (Loss) and Comprehensive Income (Loss) for Period	**$ 48,974**	**$ (21,274)**
Earnings (Loss) Per Share		
Basic	$ 0.002	$ (0.005)
Diluted	$ 0.002	$ (0.005)
Weighted Average Number of Common Shares Outstanding		
Basic	21,500,000	4,500,000
Diluted	23,476,300	4,500,000

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

	Notes	March 31, 2011	December 31, 2010 (note 17)	April 1, 2010 (note 17)
Assets				
Current assets				
Cash	8	$ 714,837	$ 958,056	$ 508,172
Accounts receivable	9	66,014	37,831	1,012
Loan receivable		-	-	-
Prepaid expenses	10	8,274	-	22,421
		789,125	995,887	531,605
Exploration and evaluation assets	11	2,577,285	2,352,255	-
Furniture and fixtures	12	324	345	-
		$ 3,366,734	$ 3,348,487	$ 531,605
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	13	$ 112,812	$ 19,638	$ 264
Other liability		-	327,750	-
		112,812	347,388	264
Deferred tax liabilities		198,750	-	-
		311,562	347,388	264
Shareholders’ Equity				
Capital stock	15	3,109,941	3,109,941	599,785
Contributed surplus		37,833	37,833	26,536
Share-based payments reserve		248,903	243,804	58,898
Deficit		(341,505)	(390,479)	(153,878)
		3,055,172	3,001,099	531,341
		$ 3,366,734	$ 3,348,487	$ 531,605

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 18)

Approved on behalf of the Board:

“Eric W. Norton”
………………………………………………… Director
Eric W. Norton

“David J. McCue”
………………………………………………… Director
David J. McCue

MARITIME RESOURCES CORP.

(An Exploration Stage Company)

Condensed Statements of Cash Flows

For the Three Months Ended March 31, 2011 and June 30, 2010

(Expressed in Canadian Dollars)

(Unaudited -- Prepared by Management)

		For the Three Months Ended		
		March 31, 2011		**June 30, 2010** (note 17)
Net income (loss)	$	48,974	$	(21,274)
Items not involving cash				
Amortization		21		-
Share-based payments reserve		5,099		-
Deferred income tax recovery		(129,000)		-
		(74,906)		(21,274)
Changes in non-cash working capital				
Accounts receivable		(28,183)		(2,969)
Prepaid expenses		(8,274)		4,497
Accounts payable and accrued liabilities		1,789		22,954
		(34,668)		24,482
Cash Used in Operating Activities		(109,574)		3,208
Investing activities				
Mineral property acquisition and exploration costs		(133,645)		-
Cash Used in Investing Activities		(133,645)		-
Financing Activity				
Deferred costs		-		(30,374)
Cash Used in Financing Activities		-		(30,374)
Outflow of Cash		(243,219)		(27,166)
Cash, Beginning of Period		958,056		508,172
Cash, End of Period	$	714,837	$	481,006
Supplemental Cash Flow Information				
Exploration and evaluation assets accrued in accounts payable and accrued liabilities	$	91,385	$	-

MARITIME RESOURCES CORP.
(An Exploration Stage Company)
Condensed Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited -- Prepared by Management)

	Capital Stock Shares	Capital Stock Amount	Contributed Surplus	Share-Based Payments Reserve	Deficit	Total Shareholders' Equity
Balance, April 1, 2010 (note 17)	**4,500,000**	**599,785**	**26,536**	**58,898**	**(153,878)**	**531,341**
Net loss for the period					(21,274)	(21,274)
Balance, June 30, 2010	4,500,000	599,785	26,536	58,898	(175,152)	510,067
Net loss for the period					(241,863)	(241,863)
Shares issued for cash						
Private placement	5,000,000	422,250				422,250
Share issue costs		(34,261)				(34,261)
Finder's warrants		(37,833)	37,833			-
Non-cash transactions						
Shares issued for the acquisition of the Green Bay Property	12,000,000	2,160,000				2,160,000
Share-based payments				184,906		184,906
Reclassification of option compensation on expired options			(26,536)		26,536	-
Balance, December 31, 2010 (note 17)	**21,500,000**	**3,109,941**	**37,833**	**243,804**	**(390,479)**	**3,001,099**
Net income for the period					48,974	48,974
Non-cash transaction						
Share-based payments				5,099		5,099
Balance, March 31, 2011	**21,500,000**	**$ 3,109,941**	**$ 37,833**	**$ 248,903**	**$ (341,505)**	**$ 3,055,172**

See Accompanying Notes to the Financial Statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (formerly BMB Capital Corp.) (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on May 14, 2007 and until October 5, 2010 was classified as a capital pool corporation as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal activities of the Company are the exploration and development of the Orion gold deposit in Green Bay, Newfoundland, Canada.

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain profitable operations.

For the three months ended March 31, 2011, the Company reported a net profit (loss) of $48,974 (three months ended June 30, 2010 – ($21,274)), and at March 31, 2011 had a deficit of $341,505 (December 31, 2010 - $390,479). The Company also had working capital of $676,313 (December 31, 2010 - $648,499). Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions.

2. QUALIFYING TRANSACTION

On October 5, 2010, the TSX-V accepted the Company's filing of its Qualifying Transaction by the Company exercising an option to acquire an initial 50% undivided interest (the "Initial Interest") in Commander Resources Ltd.'s ("Commander") wholly owned Green Bay mineral property (the "Property") in Newfoundland, Canada, by issuing to Commander 12,000,000 common shares of the Company and completing an equity financing for $750,000. The foregoing 12,000,000 shares are being held in escrow pursuant to the TSX-V prescribed form of agreement under which the shares may not be dealt with until released from escrow over a period of three years. 10% of the escrowed shares were released from escrow on the completion of the Qualifying Transaction. As at March 31, 2011, 10,800,000 of the 12,000,000 shares were still under escrow. The option agreement, dated June 14, 2010 (the "Option Agreement") between the Company and Commander, provides the Company with the further option of increasing its ownership in the Property to 100% at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015 by issuing an additional 5,000,000 common shares to Commander. Once the Company has completed a minimum of $750,000 in expenditures by April 5, 2012, the Company may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 joint venture between the parties in accordance with standard industry terms, with the Company being the initial operator.

3. ECONOMIC DEPENDENCE AND CHANGE IN YEAR-END

As a result of the Qualifying Transaction, Commander owns 55.81% of the Company's issued and outstanding shares. During the period ended December 31, 2010, the Company changed its fiscal year-end from March 31 to December 31. The Company's new financial year-end coincides with the year-end of Commander.

The condensed interim financial statements presented are for the three months ended March 31, 2011 and the three months ended June 30, 2010. The IFRS transition date for the Company was April 1, 2010.

4. STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting.* These are the Company's first condensed interim financial statements prepared in accordance with IFRS and, accordingly, IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. These financial statements do not include all of the information required for full annual financial statements.

The accounting policies set out below have been applied consistently to all periods presented in preparing the opening statement of financial position at April 1, 2010 for purpose of transition to IFRS.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 17.

The statements of comprehensive income and cash flows include comparative figures for the three months ended June 30, 2010 which are the Company's operating results and cash flows for the first three months after the IFRS transition date.

The condensed financial statements were authorized for issue by the Board of Directors on August 11, 2011.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at December 31, 2010 excepted as noted below. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2010.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company's principal accounting policies are outlined below:

(a) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant areas requiring the use of estimates include the fair values of financial instruments, collectability of accounts receivable, the balances of accrued liabilities, impairment of exploration and evaluation assets, determination of the valuation allowance for deferred tax assets and the assumptions used in the determination of the fair value of share-based payments, agent compensation options and finder's warrants. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(b) Functional and presentation currencies

The Canadian dollar ("$") is both the Company's functional currency and presentation currency.

(c) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and non-employees. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. For directors and employees, the fair value of the options is measured at the date of grant. 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 offset to the recorded cost is to share-based payments reserve. 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. Upon expiry, the recorded value is transferred to deficit.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(e) Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its resource exploration activities. Canadian income tax law permits the Company to renounce to the flow-through shareholders the income tax attributes of resource exploration costs financed by such shares. Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as an other liability which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded prospectively upon renunciation of the related tax benefits, provided it is expected the Company will incur the required eligible expenditures.

When flow-through expenditures are renounced, a portion of the future income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of deferred income taxes in the statements of comprehensive income.

(f) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to calculate diluted earnings per share. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants if they would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Comprehensive income

Comprehensive income is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company’s comprehensive income and components of other comprehensive income are presented in the statements of comprehensive income and the statements of changes in equity.

(h) Exploration and evaluation assets

All costs related to the acquisition of, exploration for and development of mineral properties, net of recoveries, are capitalized on a property-by-property basis. If economically recoverable ore reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is abandoned, all related costs are written-off to operations. 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 fair value. A mineral property interest is reviewed at each statement of financial position date for impairment or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(i) Property, plant and equipment

(i) Furniture and fixtures

Furniture and fixtures are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded using the straight-line method over five years.

(ii) Subsequent costs

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

(iii) Impairment

The Company’s tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset’s recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

(iv) Reversal of impairment

An impairment loss is reversed if there is an indication that 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 amortization, if no impairment loss had been recognized.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

(k) Financial assets and financial liabilities

i. Financial assets

Financial assets are classified into one of four categories:
- fair value through profit or loss (“FVTPL”);
- held-to-maturity (“HTM”);
- available for sale (“AFS”); and,
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets and financial liabilities (Continued)

i. Financial assets (Continued)

(i) FVTPL financial assets

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified cash as FVTPL financial assets.

(ii) HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

(iii) AFS financial assets

Short-term investments and other assets held are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive income is included in profit or loss for the period. The Company does not have any assets classified as AFS financial assets.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets and financial liabilities (Continued)

i. Financial assets (Continued)

(iv) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the period in which they are identified. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

(v) Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

(vi) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. 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 asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is 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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets and financial liabilities (Continued)

i. Financial assets (Continued)

(vi) Impairment of financial assets (Continued)

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the bad debt account. Subsequent recoveries of amounts previously written off are credited against the bad debt account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

(vii) Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

ii. Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The Company has classified trade and other payables, short-term financial liabilities and long-term financial liabilities as other financial liabilities.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets and financial liabilities (Continued)

ii. Financial liabilities and equity (Continued)

(ii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

iii. Financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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 (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(l) Environmental rehabilitation

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

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

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

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

At present, the Company has determined that it has no material asset retirement obligations to be recorded in these financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(n) Segmented information

The Company conducts its business as a single operating segment being the mining business in Canada. All mineral properties and equipment are situated in Canada.

(o) Accounting standards issued but not yet effective

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

(i) IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the International Accounting Standards Board ("IASB") work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS

The Company has classified its cash as fair value through profit or loss; accounts receivable as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The following is a breakdown of the Company's financial instruments as at March 31, 2011 and December 31, 2010:

		March 31, 2011		December 31, 2010
Financial assets				
Cash	$	714,837	$	958,056
Accounts receivable		66,014		37,831
	$	780,851	$	995,887
Financial liabilities				
Accounts payable and accrued liabilities	$	112,812	$	19,638
	$	112,812	$	19,638

7. FINANCIAL RISK MANAGEMENT

(a) Credit risk

The Company is exposed to credit risk with respect to its cash and accounts receivable.

The Company's maximum exposure to credit risk is as follows:

		March 31, 2011		December 31, 2010
Cash	$	714,837	$	958,056
Accounts receivable		699		11,712
	$	715,536	$	969,768

The Company manages credit risk with respect to its cash by maintaining deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company has cash at March 31, 2011 in the amount of $714,837 (December 31, 2010 - $958,056), of which $399,029 (December 31, 2010 - $$622,308) were flow-through funds to be spent on field exploration activities exclusively. The Company believes it has sufficient funds to meet its short-term business requirements.

At March 31, 2011, the Company had accounts payable and accrued liabilities of $112,812 (December 31, 2010 - $19,638), which are due in the short term (0 – 3 months).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(Expressed in Canadian Dollars)

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to risk during the period ended March 31, 2011.

8. CASH

As at March 31, 2011, included in the cash balance was an amount of $399,029 (December 31, 2010 - $622,308) for exploration funds which were raised through the issuance of flow-through shares. The exploration funds are required to be spent on mineral exploration related activities in Canada only. The following is a breakdown of cash balances as at March 31, 2011:

		March 31, 2011		December 31, 2010
Cash (for general purposes)	$	315,808	$	335,748
Cash (flow-through funds for exploration)		399,029		622,308
	$	714,837	$	958,056

9. ACCOUNTS RECEIVABLE

The Company does not have any revenue. The accounts receivable represented HST paid by the Company except for a credit receivable from a vendor of $699 (December 31, 2010 - $699) which was past due. The past due amount was settled after the end of the current quarter.

The following is an aging analysis of the accounts receivable:

		Neither past due nor impaired	Past due but not impaired				
			31 - 60 days	61 - 90 days	> 90 days		TOTAL
March 31, 2011	$	65,315	-	-	699	$	66,014
December 31, 2010	$	26,119	-	11,013	699	$	37,831

(Expressed in Canadian Dollars)

10. PREPAID EXPENSES

The following is an analysis of the prepaid expenses:

		March 31, 2011		December 31, 2010
Software rental	$	5,064	$	-
Deposits		2,850		-
Expense advance		143		-
Others		217		-
	$	8,274	$	-

11. EXPLORATION AND EVALUATION ASSETS

Expenditures incurred on the Green Bay mineral property during the periods ended March 31, 2011 and December 31, 2010 were as follows:

		March 31, 2011		December 31, 2010
Balance at beginning of the period	**$**	**2,352,255**	**$**	**-**
Additions during the period:				
Acquisition costs		1,750		2,224,563
Exploration costs:				
Drilling		199,287		4,045
Geology		23,967		28,273
Geophysics		-		95,224
Other		26		150
		223,280		127,692
Net additions		225,030		2,352,255
Balance at the end of the period	**$**	**2,577,285**	**$**	**2,352,255**

On October 5, 2010, the TSX-V accepted the Company’s filing of its Qualifying Transaction, consisting of the exercise of an option to acquire an initial 50% undivided interest in Commander’s wholly owned Green Bay mineral property in Newfoundland, Canada. The total acquisition cost of $2,224,563 consists of the issuance of 12,000,000 shares at a fair value of $0.18 per share and legal, listing fees and other costs of $64,563 directly related to the completion of the Qualifying Transaction.

11. EXPLORATION AND EVALUATION ASSETS (Continued)

The Company, at any time up to the earlier of the date the Company commences commercial production from the Property or September 30, 2015, will have the right to acquire the remaining 50% of the Property by issuing an additional 5,000,000 common shares to Commander. Once the Company has completed a minimum of $750,000 in expenditures on the property by April 5, 2012, the Company may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 joint venture between the parties in accordance with standard industry terms, with the Company being the initial operator.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the properties may be diminished or negated.

Title to resource properties

Although the Company has taken steps to verify the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

Resource properties comprise a substantial portion of the Company’s assets. Realization of the Company’s investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(Expressed in Canadian Dollars)

12. FURNITURE AND FIXTURES

	Cost	Depreciation	Net Book Value
At April 1, 2010	$ -	$ -	$ -
Additions	406	61	345
Disposals	-	-	-
At December 31, 2010	406	61	345
Additions	-	21	(21)
Disposals	-	-	-
At March 31, 2011	$ 406	$ 82	$ 324

13. ACOUNTS PAYABLE AND ACCRUED LIABILITIES

The average credit period of purchases is 1 month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The following is an aging analysis of accounts payable and accrued liabilities:

	Current	31 - 60 days	61 - 90 days	> 90 days	TOTAL
March 31, 2011	$ 112,812	-	-	-	$ 112,812
December 31, 2010	$ 19,638	-	-	-	$ 19,638

14. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders’ equity. The Company has no debt obligations. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company’s business. The Company does not pay dividends and is not subject to any externally imposed capital requirements.

The Company raises capital through the issuance of its capital stock to fund identification and evaluation of assets or a business for acquisition. Although the Company has been successful at raising funds in the past through issuance of common shares, there can be no assurance that it will continue to be able to do so in the future.

There were no changes to the Company’s approach to capital management during the period ended March 31, 2011.

(Expressed in Canadian Dollars)

15. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

On October 1, 2010, the Company completed a private placement of 5,000,000 flow-through common shares ("FT Shares") at $0.15 per FT Share for gross proceeds of $750,000. Finder's fees of $34,261 were paid and 326,300 finder's warrants were issued. Each finder's warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.15 at any time prior to October 1, 2012. The 326,300 finder's warrants were fair valued at $37,833 (note 15(f)).

On October 1, 2010, the Company acquired its Initial Interest in the Green Bay Property by issuing to Commander 12,000,000 common shares at $0.18 per share. The foregoing 12,000,000 shares are being held in escrow.

On February 21, 2011, the Company renounced $750,000 exploration and development expenditure relating to the flow-through funds it raised. The income tax effect of the renunciation was charged to deferred tax expense.

(c) Escrow shares

During the period ended March 31, 2008, the Company issued 1,500,000 common shares at $0.10 per share for total proceeds of $150,000. These common shares are held in escrow under which 10% of the escrowed common shares were released from escrow on the completion of the Qualifying Transaction and an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the Qualifying Transaction. While in escrow, the shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities.

The Company has the following shares held in escrow as at March 31, 2011:

	Number of Common Shares		Total
	Under CPC Escrow Agreement	Under Acquisition of Green Bay	
Shares held in escrow under CPC Escrow Agreement, as at April 1, 2010	1,500,000	-	1,500,000
Balance as at June 30, 2010	1,500,000	-	1,500,000
Shares held in escrow under acquisition of the Green Bay Property	-	12,000,000	12,000,000
Number of shares released on October 1, 2010	(150,000)	(1,200,000)	(1,350,000)
Balance as at December 31, 2010 and March 31, 2011	1,350,000	10,800,000	12,150,000

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(d) Stock options

The Company has a 10% rolling stock option plan which allows the board of directors to grant options to directors, officers and consultants.

A summary of the status of the Company's stock options as at December 31, 2010 and March 31, 2011 and changes during the periods then ended are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, April 1, 2010	450,000	$ 0.200
Granted	1,200,000	$ 0.152
Outstanding, December 31, 2010	1,650,000	$ 0.165
Granted	-	$ -
Outstanding, March 31, 2011	1,650,000	$ 0.165

There was no stock option granted during the three months ended March 31, 2011. 1,200,000 stock options were granted during the nine months ended December 31, 2010 as follows:

Grant date	Number of Options granted	Exercise price	Expiry date
October 1, 2010	1,050,000	0.15	1-Oct-15
November 26, 2010	150,000	0.17	26-Nov-15

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants as follows:

Exercise price	$ 0.15
Grant date share price	$ 0.18
Risk-free interest rate	1.98%
Expected dividend yield	-
Expected stock price volatility	141%
Expected option life in years	5
Grant date fair value	$ 0.16

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

The following is a breakdown of the share-based payments charged to operations on options vested:

	Three Months Ended March 31, 2011	Nine Months Ended December 31, 2010
Consultants	$ -	$ 73,054
Investor relations	5,099	2,424
Salaries and benefits	-	109,428
	$ 5,099	**$ 184,906**

There were no stock options exercised during the nine months ended December 31, 2010 nor three months ended March 31, 2011.

As at March 31, 2011, the Company had stock options outstanding to consultants, directors and officers for the purchase of up to 1,650,000 common shares as follows:

Outstanding Number of Options	Exercisable Number of Options	Expiry Date	Exercise Price	Fair Value at Grant Date	Remaining Contractual Life
450,000	450,000	15-Sep-13	$0.20	$0.13	2.46
1,050,000	1,050,000	01-Oct-15	$0.15	$0.16	4.51
150,000	93,750	26-Nov-15	$0.17	$0.16	4.66
1,650,000	1,593,750				3.94

(e) Agent compensation options

As at March 31, 2011, the Company did not have agent compensation options outstanding and exercisable.

A summary of the changes in agent compensation options during the three months ended March 31, 2011 and twelve months ended December 31, 2010 are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, April 1, 2010	300,000	$0.20
Expired	(300,000)	$0.20
Outstanding, December 31, 2010 and March 31, 2011	-	$0.00

(Expressed in Canadian Dollars)

15. CAPITAL STOCK (Continued)

(f) Finder’s warrants

On October 1, 2010, the Company granted 326,300 finder’s warrants to a finder of the private placement. There was no finder’s warrant granted during the three months ended March 31, 2011.

A summary of the status of the Company’s finder’s warrants as at March 31, 2011 and December 31, 2010 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Outstanding, April 1, 2010	-	$0.00	
Issued	326,300	$0.15	01-Oct-12
Outstanding, December 31, 2010 and March 31, 2011	326,300	$0.15	01-Oct-12

The fair value of finder’s warrants granted on October 1, 2010 is estimated at the time of the grant using the Black-Scholes pricing model with weighted average assumptions for the grants as follows:

Exercise price	$	0.15
Grant date share price	$	0.18
Risk-free interest rate		1.38%
Expected dividend yield		-
Expected stock price volatility		120%
Expected option life in years		2
Grant date fair value	$	0.12

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors. The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors for the three months ended March 31, 2011 and June 30, 2010:

	For the Three Months Ended	
	March 31, 2011	**June 30, 2010**
Geological consulting	$ 12,600	$ -
Consulting	7,500	-
Legal	6,000	-
Accounting	6,000	-
Rent	-	4,500
	$ 32,100	$ 4,500

During the three months ended June 30, 2010, the Company paid $4,500 for office rent to a company controlled by a director. No such rent was paid to that company during the three months ended March 31, 2011 because the Company had made other arrangements for office rent.

There were no amounts outstanding due to related parties at March 31, 2011 (December 31, 2010 - $Nil).

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2011 and June 30, 2010 were the same as trading transactions disclosed in Note 16(a) above.

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2011 and June 30, 2010.

17. IFRS

As stated in note 4, these are the Company’s first condensed interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from previous GAAP to IFRS has affected the Company’s financial position and comprehensive loss is set out in this note.

The accounting policies set out in note 5 have been applied in preparing the financial statements for the period ended March 31, 2011, the comparative information presented in these financial statements for the period ended June 30, 2010 and in the preparation of an opening IFRS statement of financial position at April 1, 2010 (the Company’s date of transition) and the statement of financial position as at December 31, 2010.

IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS 1)

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities taken to retained earnings. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle. The Company has applied the following exemptions to its opening statement of financial position dated April 1, 2010:

(a) Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 *Share-based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to April 1, 2010, which have been accounted for in accordance with Canadian GAAP.

(b) Estimates

In accordance with IFRS 1, an entity’s estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company’s IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has not changed the Company’s reported financial position, results of operations, and cash flows. In order to allow the users of the financial statements to better understand these changes, the Company’s Canadian GAAP statement of comprehensive income, statement of financial position and statement of cash flows for the periods ended June 30, 2010 and December 31, 2010 have been reconciled to IFRS.

17. IFRS (Continued)

Adjustments on transition to IFRS are set out as below:

(a) Share-based payments

In accordance with IFRS, the Company transfers the value of the unexercised expired options to deficit. The value of the unexercised agents' options which expired on September 17, 2010 of $26,536 was transferred to deficit.

(b) Flow-through shares

Canadian GAAP – Flow-through shares were recorded at their face value, net of related issuance costs. On the date the tax credits were renounced, a future tax liability was recognized as a cost of issuing the shares.

IFRS – Flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits. The tax portion of the 5,000,000 flow-through shares issued on October 1, 2010 amounted to $327,750. This amount was included as other liability at December 31, 2010 and subsequently recognized as a deferred tax recovery during the quarter ended March 31, 2011.

(Expressed in Canadian Dollars)

17. IFRS (Continued)

The April 1, 2010, June 30, 2010, and December 31, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

		April 1, 2010			June 30, 2010			December 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets										
Current assets										
Cash		$ 508,172	$	$ 508,172	$ 481,006	$	$ 481,006	$ 958,056	$	$ 958,056
Accounts receivable		1,012		1,012	3,981		3,981	37,831		37,831
Prepaid expenses		22,421		22,421	17,923		17,923	-		-
Total current assets		531,605	-	531,605	502,910	-	502,910	995,887	-	995,887
Non-current assets										
Exploration and evaluation assets		-		-	-		-	2,352,255		2,352,255
Furniture and Fixtures		-		-	-		-	345		345
Deferred costs		-		-	30,374		30,374	-		-
Total non-current assets		-	-	-	30,374	-	30,374	2,352,600	-	2,352,600
Total assets		$ 531,605	$ -	$ 531,605	$ 533,284	$ -	$ 533,284	$ 3,348,487	$ -	$ 3,348,487
Liabilities and Shareholders' Equity										
Current liabilities										
Accounts payable and accrued liabilities		$ 264	$	$ 264	$ 23,217	$	$ 23,217	$ 19,638	$	$ 19,638
Other liability	17(d)			-			-	-	327,750	327,750
Total liabilities		264	-	264	23,217	-	23,217	19,638	327,750	347,388
Shareholders' Equity										
Capital Stock	17(d)	599,785		599,785	599,785		599,785	3,437,691	(327,750)	3,109,941
Contributed Surplus	17(c)	26,536		26,536	26,536		26,536	64,369	(26,536)	37,833
Share-based payments reserve		58,898		58,898	58,898		58,898	243,804		243,804
Deficit	17(c)	(153,878)		(153,878)	(175,152)		(175,152)	(417,015)	26,536	(390,479)
Total shareholders' equity		531,341	-	531,341	510,067	-	510,067	3,328,849	(327,750)	3,001,099
Total liabilities and shareholders' equity		**$ 531,605**	**$ -**	**$ 531,605**	**$ 533,284**	**$ -**	**$ 533,284**	**$ 3,348,487**	**$ -**	**$ 3,348,487**

(Expressed in Canadian Dollars)

17. IFRS (continued)

The Canadian GAAP income statement and statement of comprehensive income for the three months ended June 30, 2010 and nine months ended December 31, 2010 have been reconciled to IFRS as follows:

	Three Months Ended June 30, 2010			Nine Months Ended December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses						
Accounting and audit	$ 9,180	$	$ 9,180	$ 32,180	$	$ 32,180
Amortization	-		-	61		61
Consultants	-		-	5,000		5,000
Investor relations and promotion	-		-	7,420		7,420
Legal	3,665		3,665	9,137		9,137
Office and miscellaneous	204		204	1,370		1,370
Regulatory and transfer agent fees	3,725		3,725	12,555		12,555
Rent and storage	4,500		4,500	10,508		10,508
Stock-based compensation	-		-	184,906		184,906
Loss Before Deferred Income Tax Recovery	(21,274)	-	(21,274)	(263,137)	-	(263,137)
Net Loss and Comprehensive Loss for Period	**(21,274)**	**-**	**(21,274)**	**(263,137)**	**-**	**(263,137)**
Loss Per Share, basic and diluted	**$ (0.005)**	**$ -**	**$ (0.005)**	**$ (0.026)**	**$ -**	**$ (0.026)**
Weighted Average Number of Common Shares Outstanding	**4,500,000**	**-**	**4,500,000**	**10,125,455**	**-**	**10,125,455**

(Expressed in Canadian Dollars)

17. IFRS (continued)

The following is the reconciliation of the statements of cash flows the three months ended June 30, 2010 and nine months ended December 31, 2010:

		Three Months Ended June 30, 2010			Nine Months Ended December 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Net loss		$ (21,274)	$	$ (21,274)	$ (263,137)	$	$ (263,137)
Items not involving cash				-			
Amortization		-		-	61		61
Stock-based compensation		-		-	184,906		184,906
Future income tax recovery		(21,274)	-	(21,274)	(78,170)	-	(78,170)
Changes in non-cash working capital							
Accounts receivable		(2,969)		(2,969)	(36,819)		(36,819)
Prepaid expenses		4,497		4,497	22,420		22,420
Accounts payable and accrued liabilities		22,954		22,954	19,375		19,375
Other liability	17(d)	-		-	-	327,750	327,750
		24,482	-	24,482	4,976	327,750	332,726
Cash Used in Operating Activities		3,208	-	3,208	(73,194)	327,750	254,556
Investing activities							
Mineral property acquisition and exploration costs		-		-	(192,255)		(192,255)
Purchase of furniture and fixtures		-		-	(406)		(406)
Cash Used in Investing Activities		-	-	-	(192,661)	-	(192,661)
Financing Activity							
Issuance of common shares, net of share issue costs	17(d)	-		-	715,739	(327,750)	387,989
Deferred costs		(30,374)		(30,374)	-	-	-
Cash Used in Financing Activities		(30,374)	-	(30,374)	715,739	(327,750)	387,989
Inflow (Outflow) of Cash		(27,166)		(27,166)	449,884		449,884
Cash, Beginning of Period		508,172		508,172	508,172		508,172
Cash, End of Period		**$ 481,006**	**$ -**	**$ 481,006**	**$ 958,056**	**$ -**	**$ 958,056**
Supplemental Cash Flow Information							
Non-Cash Financing Activities							
Shares issued for mineral property		$ -	$ -	$ -	$ 2,160,000	$ -	$ 2,160,000
Fair value of finder's warrants included in capital stock		$ -	$ -	$ -	$ 37,833	$ -	$ 37,833

18. SUBSEQUENT EVENTS

Pursuant to the terms of the escrow agreements, 225,000 common shares were released from escrow under the CPC agreement and 1,800,000 common shares were released from escrow in relation to the acquisition of the Green Bay property on April 1, 2011.

On June 1, 2011, the Company entered into an Exploration and Development Alliance with London and Newfoundland based Rambler Metals and Mining plc. The Alliance will see the sharing of technical expertise for the exploration and development of two main properties in the Green Bay area of Newfoundland and Labrador. Both projects are in the advanced exploration stage. The highlights of the agreement include completing an economic assessment on reopening the Hammerdown mine and evaluating the mine potential of the Orion Deposit as a potential feed source for Nugget Pond.