MONSTER MINING CORP.

FINANCIAL STATEMENTS

(Unaudited)

April 30, 2011

(Stated in Canadian Dollars)

SEE ACCOMPANYING NOTES

NOTICE TO READER

The accompanying financial statements for the period ended April 30, 2011 have been prepared by and are the responsibility of the Company's management. These financial statements have not been reviewed or audited by the Company's auditors.

MONSTER MINING CORP.
INTERIM BALANCE SHEETS
April 30, 2011 and July 31, 2010
(Stated in Canadian Dollars)
(Unaudited)

	April 30, 2011	July 31, 2010
ASSETS		
Current		
Cash	**$ 10,325**	$ 7,305
Marketable securities – Note 3	**41,000**	65,000
GST/HST recoverable	**107,540**	17,214
Prepaid expenses – Note 9	**28,982**	68,037
	187,847	157,556
Equipment – Note 4	**40,751**	3,368
Drilling Advance - Note 5	**165,256**	400,000
Deferred financing fees - Note 12	**53,953**	-
Mineral properties – Notes 6 and 9	**2,331,718**	1,525,893
	$ 2,779,525	$ 2,086,817
LIABILITIES		
Current		
Accounts payable and accrued liabilities – Note 9	**$ 27,354**	$ 110,805
Notes payable – Note 7 and 9	**-**	115,000
	27,354	225,805
Future income tax liabilities – Note 10	**122,000**	122,000
	149,354	347,805
SHAREHOLDERS' EQUITY		
Share capital – Note 8	**3,217,524**	1,814,354
Subscription received – Note 8	**-**	50,500
Contributed surplus – Note 8	**450,180**	450,180
Deficit	**(1,037,533)**	(576,022)
	2,630,171	1,739,012
	$ 2,779,525	$ 2,086,817

Nature of Operations and Going Concern – Note 1
Commitments – Notes 6 and 8
Subsequent Events – Notes 6, 7 and 12

APPROVED ON BEHALF OF THE BOARD:

"Robert Eadie"	Director	*"Andrew de Verteuil"*	Director
Robert Eadie		*Andrew de Verteuil*	

SEE ACCOMPANYING NOTES

MONSTER MINING CORP.
INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended April 30,		Nine months ended April 30	
	2011	2010	**2011**	2010
Expenses				
Accounting and office administration – Note 9	**$ 17,266**	$ 187	**$ 57,301**	$ 4,274
Amortization	**4,737**	195	**12,177**	975
Audit fees	**14,280**	-	**26,120**	-
Bank charges and interest	**100**	576	**1,075**	817
Consulting fees	**45,165**	-	**123,525**	18,333
Interest expense – Note 9	**-**	1,381	**733**	3,896
Legal and corporate services	**20,475**	-	**69,550**	-
Transfer agent and filing fees	**30,663**	-	**40,192**	-
Management fees – Note 9	**15,000**	-	**25,000**	-
Rent – Note 9	**12,530**	2,050	**29,842**	5,609
Shareholder communications – Note 9	**32,533**	-	**96,028**	15,894
Loss for the period before other items and income taxes	**(192,749)**	(4,389)	**(481,543)**	(49,798)
Other items				
Unrealized gain (loss) on marketable securities – Note 3	**(28,500)**	27,000	**(24,000)**	27,000
Total other items	**(28,500)**	27,000	**(24,000)**	27,000
Loss for the period before income taxes	**(221,249)**	22,611	**(505,543)**	(22,798)
Income tax recovery – Note 10	**44,032**	-	**44,032**	-
Loss and comprehensive loss for the period	**$ (177,217)**	$ 22,611	**$ (461,511)**	$ (22,798)
Basic and diluted loss per share	**$ (0.01)**	$ (0.00)	**$ (0.02)**	$ (0.00)
Weighted average number of shares outstanding	**22,875,847**	16,785,485	**21,745,207**	16,662,419

SEE ACCOMPANYING NOTES

MONSTER MINING CORP.
INTERIM STATEMENTS OF DEFICIT

(Stated in Canadian Dollars)
(Unaudited)

	Three months ended April 30		Nine months ended April 30	
	2011	2010	**2011**	2010
Deficit beginning of the period	**$ (860,316)**	$ (573,870)	**$ (576,022)**	$ (528,461)
Loss for the period	**(177,217)**	22,611	**(461,511)**	(22,798)
Deficit end of the period	**$ (1,037,533)**	$ (551,259)	**$ (1,037,533)**	$ (551,259)

SEE ACCOMPANYING NOTES

MONSTER MINING CORP.
INTERIM STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended April 30,		Nine months ended April 30,	
	2011	2010	**2011**	2010
Cash Flows provided by (used in) Operating Activities				
Loss for the period	**$ (177,217)**	$ 22,611	**$ (461,511)**	$ (22,798)
Items not affecting cash:				
Amortization	**4,737**	195	**12,177**	975
Income tax recovery	**(44,032)**	-	**(44,032)**	-
Unrealized gain (loss) on marketable securities	**28,500**	(27,000)	**24,000**	(27,000)
	(188,012)	(4,194)	**(469,366)**	(48,823)
Changes in non-cash working capital items:				
GST/HST recoverable	**(20,617)**	(1,900)	**(90,326)**	(3,783)
Prepaid expenses	**7,259**	(1,572)	**39,055**	(16,101)
Accounts payable and accrued liabilities	**15,709**	(34,708)	**(111,045)**	(56,554)
	(185,661)	(42,374)	**(631,682)**	(125,261)
Cash Flows provided by (used in) Investing Activities				
Marketable securities	**-**	(5,000)	**-**	(14,000)
Equipment	**(2,758)**	-	**(49,560)**	(5,318)
Mineral property costs	**(32,100)**	2,565	**(627,785)**	(111,845)
	(34,858)	(2,435)	**(677,345)**	(131,163)
Cash Flows provided by (used in) Financing Activities				
Issuance of common shares	**-**	(20,000)	**1,365,999**	13,000
Deferred financing fees	**(12,838)**	-	**(53,952)**	-
	(12,838)	(20,000)	**1,312,047**	13,000
Increase (decrease) in cash during the period	**(233,357)**	(64,809)	**3,020**	(243,424)
Cash, beginning of the period	**243,682**	62,030	**7,305**	240,645
Cash, end of the period	**$ 10,325**	$ (2,779)	**$ 10,325**	$ 2,779
Cash paid for:				
Interest	**$ -**	$ 1,381	**$ 733**	$ 3,896

Non-cash Transactions – Note 8

SEE ACCOMPANYING NOTES

Note 1 **Nature of Operations and Going Concern**

The Company was incorporated in the Province of British Columbia on May 3, 2007 under the *Business Corporations Act* (British Columbia) under the name "Northex Ventures Inc." and changed its name to "Monster Mining Corp." on August 20, 2008. The Company was registered as an extra-territorial corporation under the *Business Corporations Act* (Yukon) on July 10, 2009. Subsequent to the April 30, 2011 The Company completed its IPO pursuant to its prospectus dated April 26, 2011 (the "Prospectus") and commenced trading on the TSX Venture Exchange ("TSXV") on May 19, 2011 (See Note 12).

The Company is in the exploration stage and has entered into option and purchase agreements to acquire resource properties in Canada. The economic recoverability of the properties' costs has yet to be determined. The recoverability of amounts from the properties will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreements and to complete the development of the properties and upon future profitable production or proceeds from the sale thereof. The outcome of these matters cannot be predicted with any certainty at this time.

The financial statements have been prepared using Canadian generally accepted accounting principles ("Canadian GAAP") applicable for a going concern which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. As at April 30, 2011, the Company has not achieved profitable operations and has accumulated losses of $1,037,533 since its inception. Its ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities and commitments at amounts different from those reported in the financial statements. Working capital balance at April 30, 2011 is $160,493 however this may not be adequate to meet the Company's obligations over the next twelve months. As such, the Company's ability to continue as a going concern is in substantial doubt. If required, it is anticipated that any additional funding will be in the form of equity financing from the sale of common shares; however there is no guarantee that funding from such financings will be available in amounts sufficient to meet the commitments of the Company on acceptable terms. Currently, the Company has completed an Initial Public Offering ("IPO") (see Note – 13).

Note 2 **Interim Reporting and Initial Adoption of Accounting Policies**

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in accordance with Canadian GAAP. It is suggested that these interim financial statements be read in conjunction with the Company's July 31, 2010 annual financial statements.

(Stated in Canadian Dollars) – Page 2

Note 2 **Interim Reporting and Initial Adoption of Accounting Policies** – (cont'd)

These unaudited interim financial statements follow the same accounting policies and methods as the Company's most recent annual audited financial statements. Operating results for the three and nine months ended April 30, 2011 are not necessarily indicative of the results that can be expected for the year ending July 31, 2011.

Note 3 **Marketable Securities**

At April 30, 2011 the Company held 300,000 shares of Uldaman Capital Corp. and 100,000 shares of O'Conner Lake Mines Ltd. which are classified as held-for-trading and have an historical cost of $14,000 (July 31, 2010: $14,000), which is based on the fair value determined by the Company at the time of receipt of shares. During the period ended April 30, 2011 the Company reported an unrealized loss on Uldaman Capital Corp. shares of $24,000 (July 31, 2010: gain of $51,000) in its statement of operations.

Note 4 **Equipment**

	April 30, 2011			July 31 2010
	Cost	**Cost**	**Accumulated Amortization**	Net
Computer software	$ 12,194	$ 12,194	$ 4,855	$ 3,368
Computer hardware	6,654	6,654	1,754	-
Vehicles	35,465	35,465	7,477	-
Furniture & Equipment	565	565	41	-
	$ 54,878	**$ 54,878**	**$ 14,127**	$ 3,368

Note 5 **Drilling Advance**

The Company advanced $400,000, of which $165,256 remains to be incurred as at April 30, 2011 (July 31, 2010: $400,000) to a shareholder for drilling and geological services on the Company's mineral properties. This transaction was measured at the exchange amount, which is the amount agreed upon by the transacting parties and was made by the Company in order to secure favourable terms and priority on drilling costs and timing.

(Stated in Canadian Dollars) – Page 3

Note 6 **Mineral Properties**

a) Summary of Expenditures

	Blanche	Franklin Creek	Keno Lightning	McKay Hill	Total
Acquisition costs					
Balance July 31, 2010	$ 30,000	$ 70,000	$ 10,000	$ 20,000	$ 130,000
Cash Payment			9,000	9,000	18,000
Balance April 30, 2011	30,000	70,000	19,000	29,000	148,000
Exploration costs:					
Balance July 31, 2010	-	6,588	1,324,210	65,095	1,395,893
Assays and sampling	-	-	7,106	-	7,106
Claim maintenance	-	-	6,654	1,285	7,939
Mapping and reports	-	-	937	-	937
Transportation	-	-	29,413	3,006	32,419
Geological	-	300	179,143	247	179,690
Excavator	-	-	20,563	-	20,563
Drilling	-	-	420,423	-	420,423
Field cost	-	-	115,350	243	115,593
Camp construction	-	-	9,730	-	9,730
YMIP funding	-	-	-	(6,575)	(6,575)
Expenditures during period	-	300	788,319	(1,794)	787,825
Balance April 30, 2011	-	6,888	2,113,529	63,301	2,183,718
Mineral Properties, April 30, 2011	**$ 30,000**	**$ 76,888**	**$ 2,132,529**	**$ 92,301**	**$ 2,331,718**

(Stated in Canadian Dollars) – Page 4

Note 6 **Mineral Properties** – (cont'd)

a) Summary of Expenditures – (cont'd)

	Blanche	Franklin Creek	Keno Lightning	McKay Hill	Total
Acquisition costs					
Balance July 31, 2009	$ -	$ 75,000	$ 10,000	$ 20,000	$ 105,000
Property payments					
100,000 common shares issued at $0.30	30,000	-	-	-	30,000
Option payment received	-	(5,000)	-	-	(5,000)
Balance July 31, 2010	30,000	70,000	10,000	20,000	130,000
Exploration costs:					
Balance July 31, 2009	-	4,890	1,188,971	28,870	1,222,731
Assays and sampling	-	-	2,917	9,534	12,451
Claim maintenance	-	1,698	-	-	1,698
Mapping and reports	-	-	1,382	377	1,759
Transportation	-	-	2,673	22,279	24,952
Geological	-	-	88,068	10,500	98,568
Equipment rental	-	-	3,967	-	3,967
Drilling	-	-	367	-	367
Field cost	-	-	35,865	300	36,165
Staking	-	-	-	13,429	13,429
YMIP funding	-	-	-	(20,194)	(20,194)
Expenditures during year	-	1,698	135,239	36,225	173,162
Balance July 31, 2010	-	6,588	1,324,210	65,095	1,395,893
Mineral Properties, July 31, 2010	**$ 30,000**	**$ 76,588**	**$ 1,334,210**	**$ 85,095**	**$ 1,525,893**

Note 6 **Mineral Properties** – (cont'd)

a) Blanche

The Company acquired a 25% interest in the Blanche Claim in the Keno Hill area of the Yukon on August 1, 2007 pursuant to a third party property option agreement whereby the Company was granted the claims as they fell within an area of interest. By agreement dated January 17, 2010, the Company acquired another 50% interest in the Blanche Claim, in consideration of 100,000 shares of the Company.

b) Franklin Creek

Pursuant to a purchase agreement dated May 5, 2007, as amended on March 14, 2008 and December 1, 2010, between the Company and Dynamic Resources Corp. ("Dynamic") the Company acquired a 100% interest in three claim groups in the Yukon and Northwest Territories, more commonly known as the MAG Claim Group and the ALAN Claim Group, Northwest Territories and 16 claims known as the Franklin Creek Claim Group (Guy 1 – 16) located in the Whitehorse Mining District, Yukon Territory. Consideration paid was as follows:

i) Payment of $50,000 in cash (paid);
ii) issuance of 100,000 common shares (issued); and

By Sale Agreement dated March 25, 2010, between the Company and O'Connor Lake Mines Ltd., ("O'Connor") the Company granted O'Connor an undivided 100% interest in the MAG Claim Group and the ALAN Claim Group, in consideration of O'Connor issuing to the Company 100,000 common shares (received and recorded at a deemed value of $5,000).

In addition, for the acquisition of the MAG Claim Group, the Company is to receive:

i) Payment of $10,000 and 100,000 shares of O'Connor common stock to the Company within 15 business days of O'Connor's shares being listed on the Canadian National Stock Exchange ("CNSX") or the TSXV;
ii) a further $10,000 and 100,000 shares to be issued on the first anniversary of the listing date of O'Connor's shares on the CNSX or the TSXV; and
iii) 1,000,000 shares of O'Connor upon completion of a bankable feasibility study.

Note 6 **Mineral Properties** – (cont'd)

b) Franklin Creek – (cont'd)

In addition, for the acquisition of the ALAN Claim Group, the Company is to receive:

i) Payment of $10,000 and 100,000 shares of O'Connor common stock to the Company within 15 business days of O'Connor's shares being listed on the CNSX or the TSXV;
ii) a further $10,000 and 100,000 shares to be issued on the first anniversary of the listing date of O'Connor's shares on the CNSX or the TSXV; and
iii) 1,000,000 shares of O'Connor upon completion of a Bankable Feasibility study.

Under the agreement O'Connor is required to maintain all claims in good standing and to pay to the Company a 2% NSR.

On September 27, 2010, the Company entered into an agreement with Strategic Metals Ltd. ("SMD") to sell the Franklin Creek Claim Group (Guy 1-16).

The Company has agreed to sell an undivided 100% interest in the claims to SMD in consideration of one half (50%) of any of the proceeds from any sale, option or disposition of all or any part of the claims, as well as from SMD's Hopper Claims (Hopper 1 – 168 and 170 mineral claims in the Whitehorse Mining District) and SMD's Gal claims (Gal 1 – 8 mineral claims, also in the Whitehorse Mining District) (the Company and SMD's combined claims collectively referred to as the "Property").

"Proceeds" from the Property include any and all cash payments, share issuances and royalty interests.

The parties agree that the title of the Guy claims will be held in trust by SMD. SMD is entitled to abandon at any time any or all of the claims by giving writing notification to the Company of its intention to do so. The Company will have 30 days to have title transferred back to it, or abandon the claims.

c) Keno Lightning

By agreement dated August 1, 2007, the Company entered into an option agreement to acquire a 100% interest (the "Option") from the owners (the "Optionors") of certain mining claims situated in the Mayo Mining District, Yukon, more commonly known as the Keno Lightning Property ("Keno").

In order to maintain the Option in good standing and earn a 100% undivided interest in Keno, the Company must pay $100,000 and issue 700,000 common shares of the Company to the Optionor and incur $300,000 in exploration expenditures as follows:

i) pay to the Optionors $10,000 upon signing the Agreement (paid);

Note 6 Mineral Properties – (cont'd)

c) Keno Lightning – (cont'd)

ii) pay to the Optionors a further $15,000 on or before the date which is 15 days from listing the Company's shares on a stock exchange ($9,000 paid during the period ended April 30, 2011 and $6,000 paid subsequently);
iii) pay to the Optionors $15,000 within each of 12, 24, 36, 48 and 60 months from listing of the Company's shares on a stock exchange;
iv) issue to the Optionors 700,000 common shares of the Company on or before the date which is 15 days from listing of the Company's shares on a stock exchange (issued subsequent to April 30, 2011); and
v) incur $300,000 in exploration expenses on Keno on or before December 31, 2009 (incurred).

Keno is subject to a 3% NSR to the Optionors. The Company has the option to purchase up to 2% of this royalty interest for $300,000 for the first 1%, and $1,200,000 for the second 1%.

Of the consideration, $30,000 in cash payments ($3,500 paid and $4,000 paid subsequent to April 30, 2011) and 210,000 of the shares to be issued will be paid to a director of the Company (issued subsequent to April 30, 2011).

d) McKay Hill

By agreement dated September 1, 2007 and amended November 21, 2010, the Company entered into an option agreement to acquire a 100% interest in 20 mining claims situated in the Mayo Mining District, Yukon ("McKay Hill").

In order to maintain the option in good standing and to acquire a 100% undivided interest in the McKay Hill property the Company must pay $110,000, issue 300,000 common shares of the Company to the vendors and incur an aggregate of $100,000 in exploration expenditures as follows:

i) pay $20,000 upon signing the Agreement (paid);
ii) pay $15,000 within 15 days from listing of the Company's shares on a stock exchange ($9,000 paid during the period ended April 30, 2011 and $6,000 paid subsequently);
iii) pay $15,000 within each of 12, 24, 36, 48 and 60 months from listing of the Company's shares on a stock exchange;
iv) issue 300,000 common shares 15 days from listing of the Company's shares on a stock exchange (issued subsequent to April 30, 2011); and
v) incur $100,000 in exploration expenses on McKay Hill before December 31, 2011.

The property is subject to a 3% NSR to the vendors. The Company has the option to purchase up to 2% of this royalty interest for $300,000 for the first 1%, and $1,200,000 for the second 1%.

Note 6 **Mineral Properties** – (cont'd)

c) McKay Hill – (cont'd)

Of the consideration, $44,000 in cash payments ($8,000 paid and $6,000 paid subsequent to April 30, 2011) and 190,000 of the shares to be issued will be paid to a director of the Company (issued subsequent to April 30, 2011).

In 2010, an additional 124 claims were staked by the Company at a cost of $13,429.

e) Environmental Protection Practices

The Company is subject to 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 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.

Note 7 **Notes payable**

At July 31, 2010 the Company had notes payable to directors of $115,000 and $135,000 respectively which bear interest at 7%. These notes were repaid during the period ended April 30, 2011.

(Stated in Canadian Dollars) – Page 9

Note 8 Share Capital and Contributed Surplus

a) Authorized:

Unlimited common shares without par value.

b) Shares issued:

	Shares	Amount	Contributed Surplus	Total
Balance July 31, 2009	16,575,485	1,661,920	450,180	2,112,100
Issued for cash pursuant to:				
Private placement at $0.30	110,000	33,000	-	33,000
Issued for debt settlement at $0.25	357,735	89,434	-	89,434
Issued for acquisition of mineral property at $0.30	100,000	30,000	-	30,000
Balance July 31, 2010	17,143,220	1,814,354	450,180	2,264,534
Issued for cash pursuant to:				
Private placement at $0.25	5,048,000	1,262,000	-	1,262,000
Flow through private placement at $0.275	561,815	154,499	-	154,499
Issued for debt settlement at $0.25	122,812	30,703	-	30,703
Renunciation of expenditures to flow through shareholders	-	(44,032)	-	(44,032)
Balance April 30, 2011	**22,875,847**	**$3,217,524**	**$ 450,180**	**$ 3,667,704**

During the period ended April 30, 2011, the Company:

i) Completed three non-brokered private placements for proceeds of $1,262,000 pursuant to the issuance of 5,048,000 common shares at $0.25 per share;
ii) Completed a non-brokered flow through private placement for proceeds of $154,499 pursuant to the issuance of 561,815 common shares at $0.275 per share; and
iii) Issued 122,812 common shares at a price of $0.25 pursuant to a debt settlement of $30,703.

During the year ended July 31, 2010, the Company:

i) Issued 100,000 common shares at $0.30 per share pursuant to the Blanche property option agreement;
ii) Completed private placements for proceeds of $33,000 pursuant to the issue of 110,000 shares at $0.30 per share; and
iii) Issued 357,735 common shares at a price of $0.25 pursuant to a debt settlement of $89,434 to one of the Company's directors.

(Stated in Canadian Dollars) – Page 10

Note 8 **Share Capital** – (cont'd)

c) Commitments:

Pursuant to the flow-through financing which occurred during the period ended April 30, 2011, the Company renounced $154,499 in exploration expenditures to flow-through shareholders for the calendar year ended December 31, 2010, the Company reported a reduction of share capital in the amount of $44,032.

Note 9 **Related Party Transactions** – Notes 6, 7 and 8

The Company incurred the following costs with companies controlled by directors of the Company and with companies controlled by significant shareholders:

	April 30, 2011	July 31, 2010
Shareholder communications	**$ 11,250**	$ 1,250
Interest	**733**	13,795
Management fees	**25,000**	-
Consulting fees	**6,000**	-
Rent	**28,000**	2,500
Mineral properties – exploration costs	**80,433**	9,750
Accounting and office administration	**27,000**	2,500
	$ 178,416	$ 29,795

Included in prepaid expenses at April 30, 2011 is $5,000 (July 31, 2010: $30,448) for advances to a company with a director in common.

Included in accounts payable and accrued liabilities at April 30, 2011 is $5,000 (July 31, 2010: $39,631) due to companies controlled by directors for consulting, expenses reimbursement and management fees.

These transactions were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

Note 10 **Financial Instruments**

a) Interest Rate Risk

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of April 30, 2011. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components:

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

The Company's exposure to interest rate fluctuations is minimal.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash, the balance of which at April 30, 2011 is $10,325 (July 31, 2010: $7,305). Cash is held at a chartered Canadian financial institution. The Company is also exposed to credit risk relating to the $165,256 (July 31, 2010: $400,000) advanced for drilling and geological services.

c) Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company achieves this by maintaining sufficient cash reserves. As at April 30, 2011, the Company was holding cash of $10,325 (July 31, 2010: $7,305). The Company's accounts payable and accrued liabilities are due in the short term.

d) Currency Risk

Currency risk is the risk that funds held in currencies other than the operating currency will fluctuate negatively, resulting in a foreign exchange loss. The Company holds all of its cash in Canadian dollars and does not have significant transactions denominated in foreign currencies. As such, the Company is not significantly exposed to currency risk.

Note 11 **Capital Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, with a view to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets, or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Note 12 **Subsequent Events**

a) Subsequent to the period ended April 30, 2011 The Company completed its IPO pursuant to the Prospectus dated April 26, 2011 and commenced trading on the TSXV on May 19, 2011. Pursuant to the IPO, the Company issued 5,000,000 units at a price of $0.40 per unit for proceeds of $2,000,000. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable at $0.65 per share for a period of 12 months expiring May 18, 2012, provided that should the Company's shares trade at or above $0.75 per share for a period of 20 consecutive trading days the Company may then accelerate the expiry date of the Warrants to not less than 60 days following notice being given of such acceleration.

The agent for the offering received a cash commission of $160,000, being 8% of the gross proceeds of the IPO, a corporate finance fee of $25,000, a options to acquire an aggregate of 500,000 shares, exercisable at $0.65 per share for a period of 12 months expiring May 19, 2012 and $26,000 on their expenses incurred.

In conjunction with the IPO, the Company granted to its directors, key employees and consultants 2,887,000 incentive stock options, each option allowing the holder to acquire an additional share of the Company at $0.40 per share for a period of five years from the listing date of the Company shares on the Exchange

b) Subsequent to April 30, 2011, The Company has retained Michael Baybak and Company Inc. ("MBC") to conduct media awareness and investor relations services for a one-year term at US$8,000 per month The Company has the right to cancel the agreement after the first six months of service or extend it beyond the initial term. Pursuant to the agreement, The Company has also granted a total of 350,000 incentive stock options, exerciseable at $0.40, to principals of MBC, for a period of two years, subject to any required vesting provisions.

Note 12 Subsequent Events – (cont'd)

c) On June 4, 2011 The Company entered into an option agreement (the "Agreement") to earn a 100% undivided interest in 30 mining claims in the Whitehorse Mining District, more commonly known as the Red Ridge Property (the "Property").

Pursuant to the Agreement, the Company can exercise the option by paying an aggregate of $200,000 to the Optionors, issuing an aggregate of 400,000 common shares in the capital of the Company, and incurring an aggregate of $690,000 of exploration expenditures as follows:

i) pay $15,000 upon signing the Agreement (paid subsequent to April 30, 2011);
ii) issue 50,000 common shares 7 days after acceptance from the TSXV on June 22, 2011;
iii) pay an additional $25,000, issue 50,000 shares and incur exploration expenditures of $30,000 by June 22, 2012;
iv) pay an additional $35,000, issue 100,000 shares and incur exploration expenditures of $60,000 by June 22, 2013;
v) pay an additional $50,000, issue 200,000 shares and incur exploration expenditures of $200,000 by June 22, 2014;
vi) pay an additional $75,000 and incur exploration expenditures of $400,000 by June 22, 2015;

The Optionors are entitled to receive a 3% NSR, half of which can be purchased by the Company at any time for $1,500,000.

Commencing on June 22, 2016, the Company will make advance royalty payments of $20,000 per year, until the earlier of royalty payments being made following production or by June 22, 2021. The advance royal payments will be offset against amounts later payable to the Optionors upon commencement of production.

The Option Agreement is subject to acceptance by the TSXV.