STRIKE MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
OCTOBER 31, 2011
(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of Strike Minerals Inc. [the "Company"] are the responsibility of the management and Board of Directors of the Company.

The unaudited interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements and (ii) the unaudited interim condensed financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

Strike Minerals Inc.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

As at	October 31, 2011	April 30 2011 (Note 11)	May 1, 2010 (Note 11)
ASSETS			
Current			
Cash	**$ 30,411**	$ 590,770	$ 77,484
Marketable securities (Note 6)	**103,621**	308,112	197,155
Amounts receivable	**95,245**	46,699	5,109
Taxes other than income taxes recoverable	**98,903**	35,282	2,596
Prepaid expenses	**13,299**	6,171	2,000
	341,479	987,034	284,344
Deferred mineral property expenditures (Note 5)	**3,192,438**	1,560,657	1,166,118
Environmental bond deposit	**115,000**	115,000	115,000
	$ 3,648,917	$ 2,662,691	$ 1,565,462
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**$ 897,424**	$ 184,425	$ 74,974
Asset retirement obligation	**127,649**	125,763	122,100
	1,025,073	310,188	197,074
EQUITY			
Capital stock (Note 7)	**6,232,063**	5,461,745	4,946,045
Reserves	**1,025,659**	991,761	326,129
Accumulated deficit	**(4,633,878)**	(4,101,003)	(3,903,786)
	2,623,844	2,352,503	1,368,388
	$ 3,648,917	$ 2,662,691	$ 1,565,462

Nature of Operations (Note 1)
Subsequent Events (Note 12)

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

Strike Minerals Inc.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

	Three Months Ended October 31,		Six Months Ended October 31,	
	2011	2010 (Note 11)	**2011**	2010 (Note 11)
EXPENSES				
General and administrative (Note 10)	**$ 170,242**	$ 96,394	**$ 271,201**	$ 107,585
Stock-based compensation	**-**	-	**2,943**	-
Mine operations	**28,414**	36,768	**54,099**	47,928
Accretion expense	**943**	-	**1,886**	-
Operating loss before the undernoted	**(199,599)**	(133,162)	**(330,129)**	(155,513)
Interest income	**875**	9	**1,745**	587
Unrealized loss on investment	**(95,368)**	88,949	**(204,491)**	49,518
Other income	**-**	300	**-**	300
TOTAL COMPREHENSIVE LOSS	**$ (294,092)**	$ (43,904)	**$ (532,875)**	$ (105,108)
Basic and diluted loss per share	**$ (0.0045)**	**$ (0.0010)**	**$ (0.0086)**	$ (0.0023)
Weighted average number of shares outstanding	**65,462,153**	44,731,719	**61,701,985**	44,731,719

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

Strike Minerals Inc.

CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

	Common Shares	Capital Stock	Equity Settled Share Based Payments Reserve	Deficit	Total
Balance, April 30, 2010	36,631,719	$4,946,045	$ 326,129	$(3,903,786)	$ 1,368,388
Shares issued on debt settlement	120,000	12,000	-	-	12,000
Private placement, net of costs	8,120,000	356,815	-	-	356,815
Valuation of warrants	-	(212,133)	212,133	-	-
Net loss for the period	-	-	-	(105,108)	(105,108)
BALANCE, OCTOBER 31, 2010	44,871,719	5,102,727	538,262	(4,008,894)	1,632,095
Balance, April 30, 2011	57,771,219	5,461,745	991,761	(4,101,003)	2,352,503
Stock-based compensation	-	-	2,943	-	2,943
Shares issued for property	10,132,000	709,240	-	-	709,240
Private placement, net of costs (Note 7(i))	1,743,891	92,033	-	-	92,033
Valuation of warrants (Note 7(i))	-	(30,955)	30,955	-	-
Net loss for the period	-	-	-	(532,875)	(532,875)
BALANCE, OCTOBER 31, 2011	**69,647,110**	**$ 6,232,063**	**$ 1,025,659**	**$(4,633,878)**	**$ 2,623,844**

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

Strike Minerals Inc.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

For the Six Months Ended October 31,	2011	2010
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net loss for the period	**$ (532,875)**	$ (105,108)
Items not affecting cash:		
Stock-based compensation	**2,943**	-
Unrealized loss on investment	**204,491**	(49,518)
Accretion expense	**1,886**	-
Changes in non-cash working capital:		
Amounts receivable and prepaids	**(55,674)**	5,109
Taxes other than income tax recoverable	**(63,621)**	(10,572)
Accounts payable and accrued liabilities	**712,999**	82,972
	270,149	(77,117)
INVESTING ACTIVITIES		
Expenditure on mining interests	**(922,541)**	-
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**92,033**	356,815
CHANGE IN CASH	**(560,359)**	279,698
CASH, BEGINNING OF PERIOD	**590,770**	77,484
CASH, END OF PERIOD	**$ 30,411**	$ 357,182
SUPPLEMENTARY CASHFLOW INFORMATION		
Shares issued for property (Note 7(b))	**$ 709,240**	$ -

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

1. NATURE OF OPERATIONS

Strike Minerals Inc. (the "Company") was incorporated on May 21, 1987 under the Ontario Business Corporations Act. The Company is listed for trading on the TSX Venture Exchange (TSX.V) under the symbol STK.

The Company holds an 87.5% interest, subject to an underlying 3% NSR royalty, in the three claims that constitute the Edwards Mine Property. The Company holds a 100% interest in an adjoining 77 claims.

The Company holds 100% undivided interest in a package of gold exploration properties at Hays Lake near Schreiber, Ontario (the "Hemlo West Properties").

The Company also holds a 100% interest in Ronda Properties located 7 kilometers northeast of Shiningtree,Ontario. The Company has not actively pursued any exploration or development of this property for the last four years. However, there is renewed exploration interest by others in the Shiningtree area.

The primary office of the Company is located at 1275 Hubrey Road, London, Ontario, N6N 1E2.

The unaudited condensed interim financial statements were approved by the Board of Directors on December 22, 2011.

These unaudited condensed interim financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of $4,633,878. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. These unaudited condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

As at October 31, 2011, the Company had cash and cash equivalents of $ 30,411 (April 30, 2011 - $ 590,770 and May 1, 2010 - $ 77,484) and a working capital deficiency of $ (555,945) (April 30, 2011 - working capital of $ 802,609 and May 1, 2010 - $ 209,370). With the debt and equity funding raised subsequent to period end of more than $5.1 million, (see Note 12), management of the Company believes that it has sufficient funds to pay its ongoing work commitments, administrative expenses and its liabilities for the ensuing twelve months as they normally fall due.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These are the Company's first financial statements prepared in accordance with International Financial Reporting Standards ["IFRS"]. Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ["Canadian GAAP"]. The disclosures required by the provisions of IFRS 1, "First-time adoption of International Financial Reporting Standards", have been applied and the impact of the transition from Canadian GAAP to IFRS is explained in Note 11.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ["IAS 34"]. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ["IASB"] and interpretations of the International Financial Reporting Interpretations Committee ["IFRIC"] and should be read in conjunction with the financial statements of the Company for the year ended April 30, 2011.

The accounting policies set out below have been applied consistently to all periods presented in preparing the opening IFRS balance sheet at May 1, 2010 (Note 11) for the purposes of the transition to IFRS, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards [IFRS 1].

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

These unaudited condensed interim financial statements have been prepared on the basis of IFRS standards that are expected to be effective or available for early adoption by the Company on April 30, 2012, the Company's first annual reporting date under IFRS. The Company has made certain assumptions about the accounting policies expected to be adopted when the first IFRS annual financial statements are prepared for the year ended April 30, 2012.

Basis of Presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

Financial Instruments

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

Measurement in subsequent periods depends on the classification of the financial instrument:

i) Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statements of income.

The Company’s financial assets classified as FVTPL include cash and cash equivalents and marketable securities. The Company does not currently hold any derivative instruments.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Amounts receivable is classified as loans and receivables.

iii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

Accounts payable and accrued liabilities, are classified as other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

De-recognition of Financial Liabilities

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts or loans receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

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

Financial Instruments Recorded at Fair Value

Financial instruments recorded at fair value on the unaudited condensed interim statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs]. As of October 31, 2011, April 31, 2011 and May 1, 2010 all financial instruments were classified as level 1 on the audited condensed interim statements of financial position.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset’s fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The Company has identified the following cash-generating units: the Edwards Property and the Hemlo West Properties. The Company has assessed its assets and has determined that there is no impairment of its non-financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and Evaluation Expenditures

The Company is in the exploration stage with respect to its investment in resource property costs and accordingly follows the practice of capitalizing significant property acquisition payments for active exploration properties. The Company expenses exploration and evaluation expenditures as incurred. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Cash and Cash Equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company’s cash and cash equivalents are invested with major financial institutions in business accounts that are available on demand by the Company for its exploration programs.

Marketable Securities

The marketable securities consist of common shares in a public company, recorded at fair value. Fair value of the investment is determined based on the closing bid price.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company had no material provisions at October 31, 2011, April 30, 2011, and May 1, 2010.

Share Based Payment Transactions

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

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

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company maintains an asset retirement provision of $127,649 (April 30, 2011 - $125,763), with a supporting $115,000 (April 30, 2011 - $115,000) bond held by the Ministry of Northern Development and Mines

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Foreign Currencies

The functional currency, as determined by management, of the Company is the Canadian Dollar. The unaudited condensed interim financial statements, the results and financial position are expressed in Canadian Dollars.

Significant Accounting Judgements and Estimates

The preparation of these unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical Accounting Estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Recoverability of Amounts Receivable

Management is required to make estimates on the recoverability of accounts receivables that are included in the unaudited condensed interim statements of financial position. Change in the estimate could increase the income reported by the company. No impairment of amounts receivable has been recorded as at October 31, 2011, April 30, 2011, or May 1, 2010.

Stock-Based Compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options. For the three and six months ended October 31, 2011 the Company recognized $2,943 in stock-based compensation expense (July 31, 2010 - $nil).

Critical Accounting Judgements

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Restoration, Rehabilitation and Environmental Obligations

The Company's asset retirement obligation requires management to formulate input factors based on assumptions of costs and timing to arrive at the best estimate of the projected obligation, discounted at a rate reflecting risks specific to the liability.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ["IAS 39"]. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on January 1, 2013. The Company is assessing the impact of IFRS 10 on its financial statements.

IFRS 11 Joint Arrangements ("IFRS 11")

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

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on January 1, 2013. The Company is assessing the impact of IFRS 11 on its financial statements.

IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13, Fair Value Measurement was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 13 on its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations (Continued)

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

Future Accounting Changes

The IASB is expected to publish new IFRSs on the following topics during 2012. The Company will assess the impact of these new standards on the Company's operations as they are published:

- Hedge accounting;
- Leases;
- Revenue recognition;
- Financial instruments

3. Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising capital stock, equity settled share based payments reserve, and deficit, which at October 31, 2011 totaled $2,623,844 (April 30, 2011 - $2,352,503 and May 1, 2010 - $1,368,388). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended October 31, 2011. The Company is not subject to externally imposed capital requirements.

4. Property and Financial Risk Factors

(a) Property Risk

The Company's significant mineral property is the Edwards Property and the Hemlo West Properties (the "Projects"). Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the Projects. If no additional mineral properties are acquired by the Company, any adverse development affecting the Projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial Risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of cash at banks and on hand, short-term deposits with an original maturity of three months or less. The cash on hand, guaranteed investment certificates and certificates of deposit have been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Taxes other than income taxes recoverable consist of harmonized sales tax due from the Federal Government of Canada. Amounts receivable consists primarily of operational cost recoveries from a public company related to work performed on the Edwards Property. These amounts are in good standing as of October 31, 2011. Management believes that the credit risk concentration with respect to accounts receivable is minimal.

Market Risks

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

(i) Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its Canadian chartered banks. The Company regularly monitors its cash management policy.

(ii) Price Risk

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

The Company's marketable securities consist of common shares of Cline Mining Corporation. ("Cline Mining") is subject to fair value fluctuations arising from changes in the equity and commodity markets.

4. Property and Financial Risk Factors (Continued)

(b) Financial Risk (Continued)

Market Risks (Continued)

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at October 31, 2011, the Company had a cash balance of $30,411 (April 30, 2011 - $590,770; May 1, 2010 - $77,484) to settle current liabilities of $897,424 (April 30, 2011 - $184,425; May 1, 2010 - $74,974). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. Subsequent to October 31, 2011, the Company raised gross proceeds from debt and equity issuance in excess of $5.1 million (see Note 12)

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iv) Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollar. As a result, the Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a six month period:

(i) Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of precious and base metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them.

As of October 31, 2011, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(ii) The Company's marketable securities in the common shares of Cline Mining is subject to fair value fluctuations. As at October 31, 2011, if the stock price of the common shares of Cline Mining had decreased/increased by 10% with all other variables held constant, comprehensive loss for the year would have varied by approximately $10,000 and reported shareholders' equity would have varied by approximately $10,000.

5. MINERAL PROPERTIES

Mining properties include the Goudreau Lake Deformation Zone, Jacobson Township, Ontario, commonly known as the Edwards Mining Property and neighbouring claims, the Hemlo West Properties located in Hays Lake near Schreiber, Ontario, and the Ronda Property in the Shinning Tree area.

	October 31, 2011	**April 30, 2011**	**May 1, 2010**
Edwards Property (i)	**$ 2,249,346**	$ 1,530,656	$ 1,166,117
Hemlo West Properties (ii)(iv)	**943,091**	30,000	-
Ronda Property	**1**	1	1
	$ 3,192,438	$ 1,560,657	$ 1,166,118

i) On a quarterly basis, management of the Company reviews acquisition costs to ensure resource property costs include only costs and projects that are eligible for capitalization.

ii) For a full description of the resource properties owned by the Company refer to Note 6 of the audited financial statements as at April 30, 2011.

iii) In May 2011, the Company signed an agreement to dewater the Edwards Mine property. Should the Company determine that it wishes to discontinue this project, it has the right to terminate the agreement upon 30 days notice to the supplier. The project commenced in June 2011

iv) In September 2011, the Company received regulatory approval for agreements completed in May 2011 with Everton Resources Inc. ("Everton") (TSX.V: EVR) and Canadian Star Minerals Ltd ("CSM") (a private company) to sell to the Company a 100% undivided interest in a package of gold exploration properties at Hays Lake near Schreiber, Ontario (the "Hemlo West Properties").

Under the terms of the agreements:

The Company can acquire a 100% interest in the Everton properties for:

- $20,000 payable on signing the MOU that is refundable; (paid)
- $30,000 cash payable to Everton by the Company on completion of documentation; (paid)
- $50,000 cash on the second anniversary of the transaction;
- a 0.5% NSR royalty on the combined properties that can be purchased for $500,000 by the Company at any time;
- 5,700,000 common shares of the Company (issued September 7, 2011, and ascribed a fair value of $399,000)

Subsequent to October 31, 2011, the Company purchased the balance of ownership in these properties. (See Note 12(iv))

The Company can acquire 100% interest in the Canadian Star properties for:

- $10,000 cash payment to Canadian Star by the Company on signing the MOU; (paid)
- $42,000 payable to Canadian Star by the Company on completion of documentation;
- $50,000 payable on the second anniversary of the transaction;
- a 0.5% NSR royalty on the combined properties that can be purchased for $500,000 by the Company at any time;
- 3,182,000 common shares of the Company (issued September 7, 2011, and ascribed a fair value of $222,740)

Subsequent to October 31, 2011, the Company purchased the balance of ownership in these properties. (See Note 12(iv))

5. MINERAL PROPERTIES (Continued)

iv) (Continued)

The Company acquired 100% interest in the Bond properties for:

- $8,000 payable to Bond by the Company,
- A 2.0% Net Smelter Royalty is on a portion of the property. A 1/2% NSR is reserved to Bond, and the Company is granted the right to purchase 1/4% of the 1/2% reserved to Bond on the Morley patented claims for $125,000.00. A 2% NSR royalty on the staked claims in favour of Bond, Renner and Richards; the Company is granted the right to purchase 1% of that NSR for the sum of $500,000.
- $8,000 payable on the second anniversary of the transaction,
- 1,250,000 common shares of the Company (issued September 7, 2011, and ascribed a fair value of $87,500)

Subsequent to October 31, 2011, the Company purchased the balance of ownership in these properties. (See Note 12(iv))

In addition the Company may purchase from Bond all future option payments for 132,000 shares of Strike.

Canadian Star together with Everton has the right to jointly nominate one position on the Board of the Company.

Advisory fees related to this transaction were paid or are payable by the Company to independent third parties Ian Overton, GR Price and Richard Faucher of 8% of the transaction value in cash and 8% in warrant value.

6. MARKETABLE SECURITIES

Fair market value is determined using quoted market bid prices at the end of the reporting period. The balance of marketable securities is invested in a single publicly traded company, resulting in a concentration of price risk.

	October 31, 2011	April 30, 2011	May 1, 2010
Cline Mining Corporation			
Market value	$ 103,621	$ 308,112	$ 197,155
Cost	$ 31,178	$ 31,178	$ 31,178

7. CAPITAL STOCK

(a) AUTHORIZED

Unlimited number of common shares

(b) ISSUED

	SHARES	AMOUNT
Balance, April 30, 2011	57,771,219	$ 5,461,745
Private placement, net of costs (i)	1,743,891	92,033
Issued for property (Note 5(iv))	10,132,000	709,240
Valuation of warrants (i)	-	(30,955)
Balance, October 31, 2011	**69,647,110**	**$ 6,232,063**

7. CAPITAL STOCK (Continued)

(i) On July 22, 2011, the Company completed a private placement (the "Offering") of 1,282,353 flow-through units ("FT Units") for gross proceeds of $109,000 and 461,538 non flow-through units ("Non-FT Units" and, together with the FT Units, the "Units") for further gross proceeds of $30,000, or $139,000 in aggregate. Total costs of issue, including cash commissions and other costs amounted to $46,967.

Each Unit consists of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share at an exercise price of $0.12 within 12 months of closing, subject to a forced conversion right exercisable by the Company upon 30 days' written notice in the event that the common shares trade at or above $0.30 per share on the TSX Venture Exchange for a period of 30 consecutive trading days.

The resulting 871,946 warrants were assigned a fair value of $$23,543, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 138.13%, risk-free rate of return of 1.50% and an expected maturity of 1 year.

Foundation Markets Inc. ("Foundation"), retained by Strike to facilitate the Offering, received a cash commission of $4,730 plus 64,878 compensation options ("Compensation Options"), each being exercisable into one Non-FT Unit within 24 months of closing at an exercise price of $0.065. Canaccord Genuity Corp., acting as finder, received a cash commission of $7,085 and 83,353 Compensation Options.

The resulting 148,231 compensation options were assigned a fair value of $7,412, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 148.02%, risk-free rate of return of 1.50% and an expected maturity of 2 years.

8. STOCK OPTIONS

The following table reflects the continuity of stock options for the six months ended October 31, 2011:

	Number of Stock Options	Weighted Average Exercise Price
Balance - April 30, 2011 and October 31, 2011	**3,250,000**	**$0.10**

As at October 31, 2011, the Company had the following stock options outstanding and exercisable:

Issued	Exercisable	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
1,400,000	1,400,000	0.10	1.98	October 23, 2013
600,000	600,000	0.10	3.82	August 24, 2015
550,000	550,000	0.10	4.03	November 9, 2015
700,000	700,000	0.10	4.24	January 26, 2016
3,250,000	**3,250,000**	**0.10**	**3.07**	

9. Warrants

The following table reflects the continuity of warrants for the six months ended October 31, 2011:

	Number of Warrants	Grant Date Fair Value
Balance, April 30, 2011	10,756,280	$ 553,142
Granted (Note 7(i)	1,020,177	30,955
Balance, October 31, 2011	**11,776,457**	**$ 584,097**

As at October 31, 2011, the Company had the following warrants outstanding:

Number of Warrants		Exercise Price ($)	Grant Date Fair Value	Expiry Date
4,060,000		0.10	$ 180,768	October 29, 2012
664,570	(a)	0.05	31,365	October 29, 2012
3,606,250		0.12	196,161	December 23, 2012
1,593,500		0.10	89,429	December 23, 2012
577,000	(b)	0.08	38,082	December 23, 2012
254,960	(c)	0.06	17,337	December 23, 2012
871,946	(d)	0.12	23,543	July 22, 2012
148,231	(e)	0.065	7,412	July 22, 2013
11,776,457		0.10	$ 584,097	

(a) Each warrant is exercisable at $0.05 to acquire one unit, each unit consisting of one common share and one-half of one common share purchase warrant exercisable to acquire one additional common share at an exercise price of $0.10 until October 29, 2012, subject to acceleration in certain circumstances.

(b) Each warrant is exercisable at $0.08 to acquire one FT unit, each FT unit consisting of one non-flow-through common share and one-half of one common share purchase warrant exercisable to acquire one additional common share at an exercise price of $0.12 until December 23, 2012, subject to acceleration in certain circumstances.

(c) Each warrant is exercisable at $0.06 to acquire one Unit, each Unit consisting of one common share and one-half of one common share purchase warrant exercisable to acquire one additional common share at an exercise price of $0.10 until December 23, 2012, subject to acceleration in certain circumstances.

(d) Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.12 until July 22, 2012, subject to a forced conversion right exercisable by the Company upon 30 days' written notice in the event that the common shares trade at or above $0.30 per share on the TSX Venture Exchange for a period of 30 consecutive trading days.

(e) Each compensation option is exercisable into one Non-FT Unit until July 22, 2013 at an exercise price of $0.065

The weighted average remaining contractual life of outstanding warrants is 1.06 years.

10. Related Party Transactions

The Company had the following related party transactions during the thre and six months ended July 31, 2011 and 2010:

(i) Under the private placement completed on July 22, 2011, 161,538 flow-through units were subscribed to by the President and CEO of the Company for gross proceeds of $10,500. Under the private placement completed on October 29, 2010, 100,000 shares were subscribed to by the President and a director of the Company and 1,050,000 shares in aggregate were subscribed to by six directors of the Company for gross proceeds of $52,500

(ii) For the three and six months ended October 31, 2011, the Company paid $24,999 and $69,998 respectively (three and six months ended October 31, 2010 - $22,500) to a company controlled by the CEO, President and director of the Company for services rendered and for consulting fees for management services.

(iii) For the three and six months ended October 31, 2011, the Company paid $5,049 and $11,265 respectively (three and six months ended October 31, 2010 - $2,500) to a company controlled by a director of the Company for geological consulting services.

(iv) For the three and six months ended October 31, 2011, the Company paid $10,095 and $12,132 respectively (three and six months ended October 31, 2010 - $nil) for geological consulting services to a corporation in which a director of the Company holds a beneficial interest. Included in accounts payable and accrued liabilities as at October 31, 2011 was $12,304 (April 30, 2011 - $nil) owing to this corporation.

v) During the three and six months ended, October 31, 2011, the Company incurred general and administrative expenses of $16,577 and $24,334 respectively (three and six October 31, 2010 - $nil) with respect to accounting and Chief Financial Officer services provided by a corporation where an officer of the Company is a member of senior management. Included in accounts payable and accrued liabilities as at October 31, 2011 was $7,345 (April 30, 2011 - $6,274) owing to this corporation.

vi) Included in accounts payable and accrued liabilities is $75,000 (April 30, 2011) pertaining to directors' compensation to be settled with the issuance of 1,000,000 common shares of the Company, pending exchange approval.

Transactions with related parties are incurred in the normal course of operations and recorded at the exchange amount, being the price agreed between the parties.

11. CONVERSION TO IFRS

(i) Overview

As stated in Significant Accounting Policies note 2, these are the Company’s first unaudited condensed interim financial statements prepared in accordance with IAS 34, using accounting policies consistent with IFRS. The accounting policies described in note 2 have been applied in preparing the condensed interim financial statements for the six months ended October 31, 2011 and in preparation of an opening IFRS statement of financial position at May 1, 2010 (the Company's Transition Date) and April 30, 2011.

11. CONVERSION TO IFRS (Continued)

(ii) First-Time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at May 1, 2010.

- To apply IFRS 2 Share based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply the transition provisions of IFRIC 4 Determining Whether an Arrangement Contains a Lease, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date. The Company has no leases.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

The Company's Transition Date IFRS unaudited statement of financial position is included as comparative information in the unaudited statements of financial position in these financial statements.

(iii) Changes to Accounting Policies

The Company has changed certain accounting policies to be consistent with IFRS as is expected to be effective or available on April 30, 2012, the Company's first annual IFRS reporting date. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(a) Impairment of non-financial assets

IFRS requires a write down of assets if the higher of the fair value less costs to sell and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There was no impact on the unaudited condensed interim financial statements.

(b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the unaudited condensed interim financial statements.

11. CONVERSION TO IFRS (Continued)

(c) Presentation

Certain amounts on the unaudited condensed interim statement of financial position, statement of loss and comprehensive loss and statement of cash flows have been reclassified to conform to the presentation adopted under IFRS.

(d) Flow-Through Shares

The Company has chosen to adopt the following accounting policy for flow-through shares following the guidance from IAS 8 Para. 10-12 and considering the requirements and principles of IAS 12 Income Taxes. At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received as follows:

i) Other liabilities – The flow-through share premium is recorded as other liabilities and equal to the estimated premium, if any, investors pay for the flow-through feature; and

ii) Contributed surplus – If warrants are issued, warrants are allocated to contributed surplus based on the valuation derived using the Black-Scholes option-pricing model; and

iii) Share capital – the residual balance is allocated to share capital.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense and liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits of qualifying resource expenditures already incurred to have been effectively transferred, if it has formally renounced those expenditures at any time before or after the end of the reporting period. Additionally, the Company reverses the liability for the flow- through share premium to income, on a proportionate basis, as an offset to deferred tax expense. To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

Under Canadian GAAP, when expenditures are renounced to the subscribers and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital. If the Company has sufficient unused tax losses and deductions (“losses”) to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses (losses multiplied by the effective corporate tax rate) is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

The Company’s accounting policies were changed to reflect this difference, resulting in an increase in share capital of $164,706 and an increase in deficit of $164,706 at May 1, 2010.

11. CONVERSION TO IFRS (Continued)

(iv) Reconciliation between IFRS and Canadian GAAP

The October 31, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

October 31, 2010	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
Assets				
Current assets				
Cash	$ 357,182	$ -	$ -	**$ 357,182**
Marketable securities	246,673	-	-	**246,673**
Taxes other than income taxes recoverable	13,168	-	-	**13,168**
Prepaid expenses	2,000	-	-	**2,000**
	619,023	-	-	**619,023**
Mineral properties	1,166,118	-	-	**1,166,118**
Environmental bond deposit	115,000	-	-	**115,000**
	$ 1,900,141	$ -	$ -	**$ 1,900,141**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$ 145,946	$ -	$ -	**$ 145,946**
Asset retirement obligation	122,100	-	-	**122,100**
	268,046	-	-	**268,046**
Shareholders' Equity				
Capital stock (Note 11(d))	4,938,021	164,706	-	**5,102,727**
Contributed surplus	538,262	-	(538,262)	**-**
Warrants	-	-	-	**-**
Reserves	-	-	538,262	**538,262**
Deficit (Note 11(d))	(3,844,188)	(164,706)	-	**(4,008,894)**
	1,632,095	-	-	**1,632,095**
	$ 1,900,141	$ -	$ -	**$ 1,900,141**

11. CONVERSION TO IFRS (Continued)

(iv) Reconciliation between IFRS and Canadian GAAP (continued)

The May 1, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

May 1, 2010	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
Assets				
Current assets				
Cash	$ 77,484	$ -	$ -	**$ 77,484**
Marketable securities	197,155	-	-	**197,155**
Amounts receivable	5,109	-	-	**5,109**
Taxes other than income taxes receivable	2,596	-	-	**2,596**
Prepaid expenses	2,000	-	-	**2,000**
	284,344	-	-	**284,344**
Mineral properties	1,166,118	-	-	**1,166,118**
Environmental bond deposit	115,000	-	-	**115,000**
	$ 1,565,462	$ -	$ -	**$ 1,565,462**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$ 74,974	$ -	$ -	**$ 74,974**
Asset retirement obligation	122,100	-	-	**122,100**
	197,074	-	-	**197,074**
Shareholders' Equity				
Capital stock (Note 11(d))	4,781,339	164,706	-	**4,946,045**
Contributed surplus	326,129	-	(326,129)	**-**
Reserves	-	-	326,129	**326,129**
Deficit (Note 11(d))	(3,739,080)	(164,706)	-	**(3,903,786)**
	1,368,388	-	-	**1,368,388**
	$ 1,565,462	$ -	$ -	**$ 1,565,462**

11. CONVERSION TO IFRS (Continued)

(iv) Reconciliation between IFRS and Canadian GAAP (continued)

The April 30, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

April 30, 2011	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
Assets				
Current assets				
Cash	$ 590,770	$ -	$ -	**$ 590,770**
Marketable securities	308,112	-	-	**308,112**
Amounts receivable	46,699	-	-	**46,699**
Taxes other than income taxes recoverable	35,282	-	-	**35,282**
Prepaid expenses	6,171	-	-	**6,171**
	987,034	-	-	**987,034**
Mineral properties	1,560,657	-	-	**1,560,657**
Environmental bond deposit	115,000	-	-	**115,000**
	$ 2,662,691	$ -	$ -	**$ 2,662,691**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$ 184,425	$ -	$ -	**$ 184,425**
Asset retirement obligation	125,763	-	-	**125,763**
	310,188	-	-	**310,188**
Shareholders' Equity				
Capital stock (Note 11(d))	5,301,159	160,586	-	**5,461,745**
Contributed surplus	438,619	-	(438,619)	**-**
Warrants	553,142	-	(553,142)	**-**
Reserves	-	-	991,761	**991,761**
Deficit (Note 11(d))	(3,940,417)	(160,586)	-	**(4,101,003)**
	2,352,503	-	-	**2,352,503**
	$ 2,662,691	$ -	$ -	**$ 2,662,691**

11. CONVERSION TO IFRS (Continued)

(iv) Reconciliation between IFRS and Canadian GAAP (continued)

The year ended April 30, 2011 Canadian GAAP statement of loss and comprehensive loss has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
EXPENSES:				
Office and general	$ 217,351	$ -	$ -	**$ 217,351**
Stock-based compensation	131,007	-	-	**131,007**
Mine operations	61,086	-	-	**61,086**
Accretion expense	3,663	-	-	**3,663**
Loss before the under-noted	(413,107)	-	-	**(413,107)**
Interest income	638	-	-	**638**
Unrealized gain on investment	110,957	-	-	**110,957**
Other income	300	-	-	**300**
NET LOSS AND COMPREHENSIVE LOSS	$ (301,212)	$ -	$ -	**$ (301,212)**
Basic and diluted loss per share	$ (0.0045)			**$ (0.0045)**

The six months ended October 31, 2010 Canadian GAAP statement of operations and comprehensive loss has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
EXPENSES:				
Office and general	$ 107,585	$ -	$ -	**$ 107,585**
Mine operations	47,928	-	-	**47,928**
Operating loss before the undernoted	(155,513)	-	-	**(155,513)**
Interest income	587	-	-	**587**
Unrealized gain on investment	49,518	-	-	**49,518**
Other income	300	-	-	**300**
NET LOSS AND COMPREHENSIVE LOSS	$ (105,108)	$ -	$ -	**$ (105,108)**
Basic and diluted loss per share	$ (0.002)			**$ (0.002)**

11. CONVERSION TO IFRS (Continued)

(iv) Reconciliation between IFRS and Canadian GAAP (continued)

The three months ended October 31, 2010 Canadian GAAP statement of operations and comprehensive loss has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
EXPENSES:				
Office and general	$ 96,394	$ -	$ -	**$ 96,394**
Mine operations	36,768	-	-	**36,768**
Operating loss before the undernoted	(133,162)	-	-	**(133,162)**
Interest income	9	-	-	**9**
Unrealized gain on investment	88,949	-	-	**88,949**
Other income	300	-	-	**300**
NET LOSS AND COMPREHENSIVE LOSS	$ (43,904)	$ -	$ -	**$ (43,904)**
Basic and diluted loss per share	$ (0.0010)			**$ (0.0010)**

12. SUBSEQUENT EVENTS

i) On November 2, 2011, the Company announced it had closed a non-brokered private placement (the "Offering") of 1,100,000 flow-through units (“FT Units”) for gross proceeds of $93,500 and 2,540,000 non flow-through units (“Non-FT Units” and, together with the FT Units, the "Units") for further gross proceeds of $165,100.

Each Unit consisted of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share at an exercise price of $0.12 within 12 months of closing, subject to a forced conversion right exercisable by the Company upon 30 days' written notice in the event that the common shares trade at or above $0.30 per share on the TSX Venture Exchange for a period of 30 consecutive trading days.

Foundation Markets Inc. ("Foundation"), retained by the Company to facilitate the Offering, received a cash commission of $15,377 plus 215,800 compensation options ("Compensation Options"), each being exercisable into one Non-FT Unit within 24 months of closing at an exercise price of $0.065. Integral Wealth Securities Ltd., acting as finder, received a cash commission of $6,604 and 93,600 Compensation Options.

The securities are subject to a four month hold period.

12. SUBSEQUENT EVENTS (Continued)

ii) On November 3, 2011, the Company announced that it had signed certain term sheets pursuant to which Waterton Global Value, L.P. ("Waterton") will provide the Company with up to $3,850,000 of financing consisting of $3,500,000 of Gold Stream Debt Financing (the "Gold Stream Debt Financing") and $350,000 of Equity Financing (the "Equity Financing", and together with the Gold Stream Debt Financing, the ("Financing"). In connection with the Gold Stream Debt Financing, Waterton will provide the Company with a $350,000 bridge loan (the "Bridge Loan").

The principal amount of the Gold Stream Debt Financing will be provided in three tranches of $1,500,000, $1,000,000 and $1,000,000 and will be secured by all of the assets of the Company, including the assets comprising the Edwards Mine Project. If all three tranches of the Gold Stream Debt Financing are drawn, repayment of such financing will occur by the Company making 12 monthly payments to Waterton commencing on the last business day of December 2012, and ending on the last business day of November 2013. Each monthly repayment will be made, at the option of Waterton, by the Company delivering to Waterton either gold bullion ounces or certain fixed cash amounts. If the Company makes any monthly payment by delivering gold bullion ounces to Waterton, the number of ounces so delivered shall be calculated based on a deemed gold price that is, effectively, equal to 80% of the then prevailing spot price of gold. Any outstanding principal amount of the Gold Stream Debt Financing shall accrue interest at a rate of 7.00% per annum.

In connection with the Gold Stream Debt Financing, Waterton will advance the Company a $350,000 Bridge Loan that accrues interest at a rate of 7.00% per annum and is secured by the Company's direct 87.5% interest in the Edwards Mine Project. The principal amount of the Bridge Loan shall be repaid by the Company on the date that is the earlier of: (i) six (6) months after the initial execution date of the Bridge Loan agreement, or (ii) the date on which the Company and Waterton enter into the Gold Stream Debt Financing. In connection with the Bridge Loan, the Company will provide Waterton with 1,000,000 bonus shares. The Company will also pay Waterton a 2% structuring fee relating to each of the Gold Stream Debt Financing and the Bridge Loan. On December 13, 2011, the Bridge Loan, representing the initial phase of financing, was closed.

In addition to the Gold Stream Debt Financing, Waterton also intends to provide the Company with $350,000 of Equity Financing, the terms and conditions of which shall be similar to the Company's recently announced equity offering.

iii) On November 8, 2011, the Company granted 2,450,000 incentive stock options to directors, officers and key consultants. The stock options are exercisable for a period of five years at an exercise price of $0.10.

iv) On December 6, 2011 the Company announced it had purchased the balance of the ownership of key gold exploration claims at Hays Lake near Schreiber, Ontario (the "Hemlo West Properties") that the Company had not previously purchased under the original option agreements with the vendors.

Upon closing, the Company will have bought out all future exploration obligations for: $15,000 payable on signing of the purchase agreement, and 1,020,000 common shares of the Company The vendors retain 2% Net Smelter Royalties including any associated NSR payments, and surface rights where applicable. The transaction is subject to the approval of the TSX Venture Exchange.

12. SUBSEQUENT EVENTS (Continued)

v) On December 15, 2011, the Company announced it had closed a non-brokered private placement (the "Offering") consisting of 3,236,764 flow-through units (“FT Units”) for proceeds of $275,125 and 9,535,768 non flow-through units (“Non-FT Units”) for proceeds of $619,825; for total placement proceeds of $894,950.

Each Unit consisted of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share at an exercise price of $0.12 within 36 months of closing, subject to a forced conversion right exercisable by the Company upon 30 days' written notice in the event that the common shares trade at or above $0.30 per share on the TSX Venture Exchange for a period of 30 consecutive trading days.

Foundation Markets Inc. ("Foundation"), retained by the Company to facilitate the Offering, received a cash commission of $47,412 plus 692,865 compensation options ("Compensation Options"), each being exercisable into one Non-FT Unit within 24 months of closing at an exercise price of $0.065. Integral Wealth Securities Ltd., Jennings Capital Inc. and Canaccord Genuity Corp. acting as finders, received cash commissions of $15,831, $6,328 and $5,200 respectively, and 212,520, 92,950 and 61,176 Compensation Options respectively

The securities are subject to a four month hold period.

Of the securities issued under the terms of this private placement, a director of the Company subscribed for 307,692 non flow-through units for gross proceeds of $20,000.