CONSOLIDATED ORESTONE MINING CORP.

FINANCIAL STATEMENTS

OCTOBER 31, 2010

AMENDED

NOTICE OF NO AUDITOR REVIEW OF

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated 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 consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

ORESTONE MINING CORP.
CONSOLIDATED BALANCE SHEETS

	October 31, 2010 (Unaudited)	January 31, 2010 (Audited)
ASSETS		
Current		
Cash	$ 116,976	$ 29,350
Receivables	53,552	2,769
Mineral tax credit recoverable	28,582	28,582
Prepaid	4,900	-
	204,010	60,701
Equipment (Note 3)	4,393	5,664
Mineral properties and deferred exploration costs (Note 5)	2,742,098	2,146,095
Deposits (Note 5)	17,500	81,048
Reclamation bond (Note 6)	29,000	-
	$ 2,997,001	$ 2,293,508

LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 92,559	$ 110,623
Loans payable (Note 7)	-	225,000
	92,559	335,623
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	3,682,979	2,540,989
Contributed surplus (Note 9)	5,270	-
Deficit	(783,807)	(583,104)
	2,904,442	1,957,885
	$ 2,997,001	$ 2,293,508

Nature and continuance of operations (Note 1)
Subsequent event (Note 13)

Approved on behalf of the Board:

"Jose Pinedo" Director — *"Michael Tulumello"* Director
Jose Pinedo — Michael Tulumello

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

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)

	For the three months ended October 31, 2010	For the three months ended October 31, 2009	For the nine months ended October 31, 2010	For the nine months ended October 31, 2009
EXPENSES				
Accounting fees	$ 19,519	$ -	$ 34,699	$ -
Amortization	422	-	1,271	9,054
Filing fees	6,713	-	22,985	-
Investor relations	3,519	-	3,519	-
Management fees (Note 8)	9,782	-	19,270	-
Office, rent and miscellaneous	9,460	-	19,017	26,967
Legal & professional fees	(2,197)	-	115,255	264
Termination of agreement	-	-	-	25,000
	47,218	-	216,016	61,285
Todd Creek JV Management fees	15,313	-	15,313	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (31,905)	$ -	$ (200,703)	$ (61,285)
EARNINGS (LOSS) PER COMMON SHARE – BASIC AND DILUTED	$ (0.00)	$(0.00)	$ (0.01)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – DILUTED	47,849,478	17,307,661	37,528,935	15,814,480

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

ORESTONE MINING CORP.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM JANUARY 31, 2009 TO OCTOBER 31, 2010
(Unaudited)

	Number of Shares	Share Capital	Subscriptions Received in Advance	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance as at January 31, 2009	12,532,800	$ 1,985,527	$ 15,200	$ -	$ (421,636)	$ 1,579,091
Shares issued						
For cash	4,820,920	247,674	(15,200)	-	-	232,474
For mineral property	170,000	8,500	-	-	-	8,500
For finder's fees	1,303,750	191,750	-	-	-	191,750
For termination fee	312,500	25,000	-	-	-	25,000
For debt settlement	3,428,611	274,288	-	-	-	274,288
Share issue costs	-	(191,750)	-	-	-	(191,750)
Net loss	-	-		-	(161,468)	(161,468)
Balance as at January 31, 2010	22,568,581	2,540,989	-	-	(583,104)	1,957,885
Recapitalization transactions						
Equity accounts of Orestone	24,861,332	1,677,983	-	1,068,386	(559,571)	2,186,798
Elimination of Orestone's equity accounts	-	(1,677,983)	-	(1,068,386)	559,571	(2,186,798)
Shares acquired by legal parent	(22,568,581)	-	-	-	-	-
Shares issued on reverse take-over	22,568,581	1,118,760	-	-	-	1,118,760
Shares issued						
For finder's fees (Note 4)	200,000	10,000	-	5,270	-	15,270
For debt settlement (Note 7)	250,000	25,000	-	-	-	25,000
For mineral property (Note 5)	50,000	3,500	-	-	-	3,500
Share issue costs	-	(15,270)	-	-	-	(15,270)
Net loss for the period	-	-	-	-	(200,703)	(200,703)
Balance as at October 31, 2010	47,929,913	$ 3,682,979	$ -	$ 5,270	$ (783,807)	$ 2,904,442

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

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months ended October 31, 2010	For the three months ended October 31, 2009	For the nine months ended October 31, 2010	For the nine months ended October 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	$ (31,905)	$ -	$ (200,703)	$ (61,285)
Non-cash operating items:				
Amortization	422	-	1,271	9,054
Termination of agreement	-	-	-	25,000
Changes in non-cash working capital items:				
Receivables	(12,725)	-	(50,783)	(5,521)
Prepaid	30,291	-	(4,900)	-
Accounts payable and accrued liabilities	(16,388)	-	(18,064)	(12,240)
Due to related parties	-	-	-	19,598
Net cash used in operating activities	(30,304)	-	(273,178)	(25,394)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash acquired in reverse take-over	-	-	439,419	-
Mineral property	(259,822)	-	(290,899)	-
Reclamation bond	5,000	-	(29,000)	-
Deposits	-	-	63,548	-
Net cash used in investing activities	(164,712)	-	273,178	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares	-	-	-	15,200
Net cash provided by financing activities	-	-	-	15,200
CHANGE IN CASH DURING THE PERIOD	(107,390)	-	87,626	(10,194)
CASH, BEGINNING	224,366	3,135	29,350	13,329
CASH, ENDING	$ 116,976	$ 3,135	$ 116,976	$ 3,135

Supplemental disclosures with respect to cash flows (Note 10)

Cash paid during the year for interest	$ -	$ -	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -	$ -	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Orestone Mining Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 30, 2007. On February 19, 2008, the Company completed its Initial Public Offering (the "Offering") and commenced trading on the TSX Venture Exchange (the "Exchange") on March 11, 2008.

Pursuant to an Arrangement Agreement (the "Agreement") dated March 15, 2010 as amended on April 30, 2010 and completed on June 3, 2010, Orestone, through its wholly-owned subsidiary 0875639 BC Ltd. ("0875639"), acquired all of the issued and outstanding shares of Intuitive Exploration Inc. ("NTE"), an arm's length private British Columbia company. Pursuant to the Agreement, NTE and 0875639 merged to form Amalco, a wholly-owned subsidiary of Orestone, which changed its name to Intuitive Exploration Inc. ("Intuitive"). The transaction, completed by way of share exchange, resulted in a reverse takeover ("RTO") of Orestone. Accordingly, under the principles applicable to these transactions, it is considered to be a capital transaction by Intuitive, whereby Intuitive, legally the Company's wholly-owned subsidiary, has acquired the assets and liabilities of Orestone and is considered to be the continuing entity for accounting purposes. Therefore, for the purposes of these consolidated financial statements, the "Company" is defined as the combined entity post RTO. See Note 4.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its mineral properties, and to commence profitable operations in the future. To date the Company has not generated any significant revenues and is considered to be in the exploration stage.

Management is also aware that material uncertainties exist, related to current economic conditions, which could adversely affect the Company's ability to continue to finance its activities. Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. As a result of the implementation, management expects that the Company will have sufficient capital to fund operations and keep its mineral properties in good standing for the upcoming fiscal year. Further discussion of liquidity risk has been disclosed in Notes 11 and 12.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	October 31, 2010	January 31, 2010
Deficit	$ (783,807)	$ (583,104)
Working capital	$ 111,451	$ (274,922)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are presented in Canadian dollars.

Basis of consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Intuitive Exploration USA Inc., incorporated in the state of Colorado on April 29, 2008 and those of Orestone Mining Corp. from the date of the RTO. Significant intercompany balances and transactions have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Joint venture accounting
A portion of the Company's exploration activities is conducted jointly with others when the Company enters into agreements that provide for specific percentage interests in mineral properties. Joint venture accounting, which reflects the Company's proportionate interest in a joint venture, is applied by the Company when the parties enter into formal comprehensive agreements for ownership and mining participation terms.

Foreign currency translation
Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates that prevailed at the balance sheet date. Non-monetary items are translated at historical exchange rates, except for items carried at market value, which are translated at the rate of exchange in effect at the balance sheet dates. Revenue and expenses are translated at average rates of exchange during the period. Exchange gains or losses arising on foreign currency translation are included in the determination of operating results for the period.

Use of estimates
The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of impairment of mineral property interests, going concern assessments, future tax rates used to determine future income taxes, determining the fair values of financial instruments, stock based payments and asset retirement obligations. Where estimates have been used financial results as determined by actual events could differ from those estimates.

Equipment
Equipment is recorded at cost with amortization being provided on the declining balance basis at the following rates per annum:

Equipment	20%
Computer equipment	55%
Computer software	100%

Additions are subject to the half-year rule in the year of acquisition.

Government exploration tax credit
Mining exploration tax credits from the Government of British Columbia for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration and development costs of the respective mineral property.

Mineral properties
The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

The recorded cost of mineral exploration interests is based on cash paid, the value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Management evaluates each mineral interest on a reporting period basis or as changes in events and circumstances warrant, and makes a determination based on exploration activity and results, estimated future cash flows and availability of funding as to whether costs are capitalized or charged to operations. Mineral property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded.

Deferred exploration costs
The Company defers all exploration costs relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the estimated reserves available on the related property following commencement of production or written-off to operations in the period related properties are abandoned.

Values
The amounts shown for mineral properties and deferred exploration costs represent costs incurred to date, and do not necessarily represent present or future values which are entirely dependent upon the economic recovery from production or from disposal.

Environmental protection and reclamation costs
The Company's policy relating to environmental protection and land reclamation programmes is to charge to income during the period any costs incurred for environmental protection and land reclamation. At October 31, 2010, the Company estimated its material expenditures in this area and posted a $51,500 (January 31, 2010 - $17,400) reclamation bond (Note 6).

Asset retirement obligations
The Company has adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, "Asset Retirement Obligations". This standard focuses on the recognition and measurement of liabilities related to obligations associated with the retirement of property, plant and equipment. Under this standard, these obligations are initially measured at fair value and subsequently adjusted for any changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The asset retirement cost is to be capitalized to the related asset and amortized into earnings over time.

Mineral property related retirement obligations are capitalized as part of mineral property and deferred exploration costs and amortized over the estimated useful lives of the corresponding mineral properties.

Impairment of long-lived assets
The Company follows the recommendations of the CICA Handbook Section 3063, "Impairment of Long-Lived Assets". Section 3063 establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. The Company conducts its impairment test on long-lived assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted future net cash flows expected from its use and disposal. If there is an impairment, the impairment amount is measured as the amount by which the carrying amount of the asset exceeds its fair value, calculated using discounted cash flows when quoted market prices are not available.

Future income taxes
Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Stock-based compensation
The Company follows the accounting standards issued by the CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", which recommends the fair-value based method for measuring compensation costs. The Company determines the fair value of the stock-based compensation using the Black-Scholes option pricing model. Any consideration paid on the exercise of stock options is credited to share capital.

Loss per share
The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

Basic and diluted losses per common share are calculated using the weighted-average number of common shares outstanding during the year.

Comprehensive income (loss)
The Company follows the CICA Handbook Section 1530, "Comprehensive Income". Section 1530 establishes standards for the reporting and presenting of comprehensive income (loss) which is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income (loss) refers to items recognized in comprehensive income (loss) that are excluded from net income (loss). At October 31, 2010, the Company had no significant items that caused other comprehensive income (loss) to be different than net income (loss).

Financial instruments
The Company adopted the CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement". Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

The Company's financial instruments consist of cash, receivables, mineral tax credit recoverable, loan payable, accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The Company has made the following classifications for the financial instruments:

(i) Cash and short-term investments – held-for-trading; measured at fair value;
(ii) Receivables and loan receivable – loans and receivables; measured at amortized cost;
(iii) Accounts payable and due to related parties – other financial liabilities; recorded at amortized cost.

A net smelter royalty ("NSR") is a form of derivative financial instrument. The fair value of the Company's right to purchase a NSR is not determinable at the current stage of the Company's exploration program. Therefore, no value has been assigned by management.

The Company has determined that it does not have derivatives or embedded derivatives. The Company does not use any hedging instruments.

The Company adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" which was amended to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity disclosure. The additional fair value measurement disclosures include classification of financial inputs used in making the measurements, described as follows.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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

The Company has included the required disclosures in Note 11 to the consolidated financial statements.

Mining exploration costs
In March 2009 the CICA approved EIC 174, "Mining Exploration Costs". The guidance clarified that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The implementation of the recommendations of this new section has not had a material impact on the Company's consolidated financial statements.

Comparative figures
Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

Recent accounting pronouncements

***International Financial Reporting Standards* ("IFRS")**
In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company's reporting no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Company is currently evaluating the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a timely conversion.

"Business Combinations" – Section 1582, "Consolidated Financial Statements" – Section 1601 and "Non-Controlling Interests" – Section 1602
In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-Controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company's interim and annual financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

3. EQUIPMENT

	October 31, 2010			January 31, 2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Equipment	$ 4,049	$ 1,466	$2,583	$ 4,049	$ 1,099	$ 2,950
Computer equipment	7,9	6,188	1,810	7,998	5,284	2,714
	$ 12,047	$ 7,654	$ 4,393	$ 12,047	$ 23,068	$ 5,664

4. ACQUISITION

Pursuant to the Agreement (Note 1), the RTO was completed through the following share exchange:

- Each issued and outstanding common share of NTE was transferred to Orestone;
- Each shareholder of NTE was issued common shares of Orestone and was deemed to have their common shares of NTE cancelled;
- Each NTE shareholder received common shares of Orestone for transferring their common shares in NTE on a 1:1 basis;
- Each common share of NTE acquired by Orestone was transferred to 0875639, a wholly-owned subsidiary of Orestone, in exchange for common shares in 0875639 on a 1:1 basis.
- NTE and 0875639 amalgamated to form Intuitive.

As of June 3, 2010, upon completion of the transaction, Orestone is the parent of Intuitive. However, the transaction resulted in a composition of senior management such that Intuitive controls Orestone. Referred to as an RTO, Intuitive is deemed to be the acquirer for accounting purposes. The fair value of the consideration transferred by Intuitive for its interest in Orestone could not be calculated reliably, as Intuitive's shares were thinly traded and it would not have been possible to estimate the market price of the shares upon completion of the transaction. Accordingly, the total fair value of the issued shares of Orestone prior to the exchange of shares, totaling $1,118,760, was used as a basis for the determination of the purchase price.

The purchase price was allocated to the net identifiable assets of Orestone at June 3, 2010 as follows:

Cash	$	439,419
Other current assets		142,770
Resource properties		1,386,352
Reclamation bond		34,000
Loan receivable		200,000
Current liabilities		(15,743)
		2,186,798
Purchase price		1,118,760
Excess	$	(1,068,038)

The purchase price in excess of the consideration transferred was reduced from the net book value of the following mineral properties and deferred exploration costs (Note 5) of Orestone at June 3, 2010 as follows:

Captain Property	$	823,540
Connor Creek Property		244,498
Excess	$	1,068,038

The operating results of Orestone during the period from April 1, 2010 to June 3, 2010 are summarized as follows:

Filing fees	$	14,817
Office, rent and miscellaneous		3,672
Professional fees		6,375
	$	24,864

A finder's fee of 200,000 units was issued in connection with the completion of the RTO (Note 9).

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

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

To October 31, 2010, the Company has incurred the following on mineral properties and deferred exploration costs:

	Jan 31, 2009	Additions	Jan 31, 2010	Additions	Oct 31, 2010
Todd Property					
Acquisition costs	$74,000	$188,500	$262,500	$ 40,035	$ 302,535
Deferred exploration costs					
Administration	-	-	-	839	839
Aircraft	626,189	-	626,189	-	626,189
Assays	94,215	90,963	185,178	2,906	188,084
Camp	237,807	-	237,807	-	237,807
Geological consulting	237,572	-	237,572	2,678	240,250
Drilling	312,864	-	312,864	-	312,864
Field	197,555	33,418	230,973	3,496	234,469
Geophysical	79,296	-	79,296	194,531	273,827
Professional	19,182	16,955	36,137	21,630	57,767
Salaries and wages	410,555	-	410,555	-	410,555
	2,215,235	141,336	2,356,571	266,080	2,582,651
Government exploration tax credit	(444,394)	(28,582)	(472,976)	-	(472,976)
Total exploration costs	1,844,841	301,254	2,146,095	266,115	2,412,210
Captain Property					
Acquisition costs					
Acquisition costs	-	-	-	245,445	245,445
Staking costs	-	-	-	178	178
Holding costs	-	-	-	3,970	3,970
	-	-	-	249,593	249,593
Deferred exploration costs					
Assays	-	-	-	3,395	3,395
Geophysical	-	-	-	3,097	3,097
Other	-	-	-	875	875
Total exploration costs	-	-	-	256,900	256,900
Connor Creek Property					
Acquisition costs					
Acquisition costs	-	-	-	72,869	72,869
Licence and permits	-	-	-	119	119
Total exploration costs	-	-	-	72,988	72,988
	$1,844,841	$301,254	$2,146,095	$ 596,003	$2,742,098

a) Todd Property

On April 30, 2010, the Company, though its subsidiary NTE (Note 4), entered into a joint venture agreement with Goldeye Exploration Limited ("Goldeye") and Polar Star Mining Corporation ("Polar") where the Company holds a 51% interest in the Todd Creek Joint Venture ("the Joint Venture") and Polar Star and Goldeye each hold a 24.5% interest in the Project.

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd…)

Upon production, the joint venture shall pay a royalty to Geofine Consultants Ltd. ("Geofine") of 2.5% of the net smelter return ("NSR") derived from operations on the property. Commencing on or before November 30, 2010 and for each anniversary of that date until an NSR is derived from operations on the property, the joint venture will provide a payment to Geofine of $25,000. Such payments will be considered as non-refundable advances on any NSR that Geofine shall be entitled to. NTE has the exclusive option to purchase the NSR for $750,000 for each 0.5% of royalty interest held on the property.

NTE is the manager of the Joint Venture

The Joint Venture also holds an option to acquire 100% of the Kelly Funk Property, a property adjacent to and East of the Todd Property, pursuant to an option agreement dated August 19, 2008, and amended on October 22, 2010, between NTE and Kelly Funk. In consideration, a total of $385,000 has to be paid in cash and 285,000 shares to be issued. As of October 31, 2010, $140,000 has been paid and 115,000 shares with a total deemed value of $10,500 issued. NTE is being reimbursed by its joint venture partners for 49% of the payments made pursuant to the agreement.

The property is subject to an NSR of 2.0%, which may be purchased at any time during the four year period following the grant of the royalty in 0.5% increments at $750,000 per increment.

As at October 31, 2010, recorded in deposits is $17,500 (January 31, 2010 - $17,500) held by Geofine, which has been used towards the posting of a reclamation bond with the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Todd Creek Property

b) Captain Property

On June 3, 2010, through the RTO with Orestone, the Company acquired a 100% interest in certain mineral claims comprising the Captain Property located near Fort St. James, British Columbia. Orestone had previously incurred $81,109 in acquisition costs, $978,129 in deferred exploration costs and capitalized $9,747 in future income taxes, totaling a net book value of $1,068,985. Pursuant to the RTO, the Company applied $823,540 of the excess purchase price (Note 4) to the net book value of the Captain Property.

Orestone had previously posted a $34,000 reclamation bonds to the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Captain Property, of which $5,000 was refunded to the Company during the period, ended October 31, 2010.

c) Connor Creek Property

On June 3, 2010, by way of completion of the RTO, the Company acquired an option to earn a 60% interest in certain mineral claims comprising the Connor Creek Property located in the Nelson Mining Division, British Columbia. Orestone had previously incurred $20,466 in acquisition costs and $296,901 in deferred exploration costs, totaling a net book value of $317,367. Pursuant to the RTO, the Company applied $244,498 of the excess purchase price (Note 4) to the net book value of the Conner Creek Property.

Pursuant to the option agreement, the Company assumed the following consideration for the Connor Creek Property:
- By November 10, 2010, 150,000 shares (subsequently issued) and $150,000 in work expenditures (completed by Orestone);
- By November 10, 2011, 150,000 shares and $200,000 in work expenditures;
- By November 10, 2012, 150,000 shares and $250,000 in work expenditures;
- By November 10, 2013, 150,000 shares and $400,000 in work expenditures.

During the period ended October 31, 2010, the Company incurred an additional $119 in deferred exploration costs.

6. RECLAMATION BONDS

As of October 31, 2010, the Company had posted a total of $29,000 as reclamation bonds to the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Captain Property (Note 5).

7. LOAN PAYABLE

During the year ended January 31, 2010, Orestone had loaned the Company $200,000. The loan bore interest at the rate of 10% per annum. As of October 31, 2010, interest of $3,333 was accrued on the loan and recorded in accounts payable and accrued liabilities. Pursuant to the completion of the RTO, this intercompany account was eliminated upon consolidation.

During the year ended January 31, 2009, the Company received a $25,000 loan from an arms-length party. This amount is unsecured, non-interest bearing and has no fixed terms of repayment. On August 12, 2010, this loan was settled with 250,000 common shares (Note 9).

8. RELATED PARTY TRANSACTIONS

During the period ended October 31, 2010, the Company paid or accrued management fees of $19,270 (2009 - $Nil) to directors and officers of the Company. As at October 31, 2010 $Nil (January 31, 2010 - $Nil) was owing to directors and officers of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. SHARE CAPITAL

Authorized: unlimited number of common shares without par value.

2011

On June 3, 2010, the Company issued 200,000 units at a fair value of $10,000 as a finder's fee, pursuant to the RTO (Note 4). Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at $0.15 per share for a period of 2 years. The warrants were allocated a fair value of $5,270 using the Black Scholes Option Pricing Model and have been recorded as share issuance cost. The assumptions used to value these warrants were: risk-free interest rate: 1.78%; expected life of warrants: 2 years; annualized volatility: 161% and dividend yield: 0%.

On August 12, 2010, the Company issued 250,000 common shares at a deemed value of $0.10 to settle $25,000 of a debt (Note 7).

On October 27, 2010, the Company issued 50,000 shares on the acquisition of Funk property (Note 5) valued at $3,500 on the issuance date.

2010

On March 17, 2009, the Company completed a private placement of 190,000 common shares at a price of $0.08 per share for proceeds of $15,200 of which $15,200 was recorded in subscriptions received in advance at January 31, 2009.

9. SHARE CAPITAL (cont'd…)

On April 2, 2009, the Company issued 843,750 common shares at a fair value of $168,750 for finder's fees for private placements completed during the year ended January 31, 2009.

On November 12, 2009, the Company completed a private placement of 4,000,000 common shares at a price of $0.05 per share for proceeds of $200,000. The Company issued 400,000 common shares at a fair value of $20,000 as a finder's fee in relation to the private placement.

On January 15, 2010, the Company completed a private placement of 600,000 common shares at a price of $0.05 per share for proceeds of $30,000. The Company issued 60,000 common shares as at a fair value of $3,000 as a finder's fee in relation to the private placement.

On January 15, 2010, the Company completed a private placement of 30,920 common shares at a price of $0.08 per share for proceeds of $2,474.

On March 30, 2009, the Company issued 312,500 common shares at a price of $0.08 per share as a termination fee for an exploration drilling agreement.

During the year ended January 31, 2010, the Company issued 170,000 common shares at a fair value of $8,500 pursuant to a mineral property agreement for the Todd Creek Property.

During the year ended January 31, 2010, the Company issued 3,428,611 common shares to settle debt of $274,288, of which 789,043 common shares were issued at a fair value of $63,123 to settle amounts due to related parties and 2,639,568 common shares were issued at a fair value of $211,165 to settle accounts payable and accrued liabilities.

Warrants

The following warrants were outstanding at October 31, 2010:

Number	Exercise Price	Expiry Date
3,650,400	$0.15	December 18, 2011
200,000	$0.15	June 3, 2012
3,650,000		

The weighted average remaining contractual life is 1.16 years.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares to be outstanding at closing. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares.

10. SHARE CAPITAL (cont'd…)

The following options were outstanding and exercisable at October 31, 2010:

Number of Options	Exercise Price	Expiry Date
1,250,000	$0.20	March 7, 2013
500,000	$0.15	January 12, 2015
1,750,000		

The weighted average remaining contractual life is 2.88 years.

Stock-based compensation

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. The fair value of stock options granted is recognized in income over the vesting period. The total fair value of stock options vested during the period ended October 31, 2010 was $Nil (2009 - $Nil).

The Company expenses the fair value of all stock-based compensation awards as determined using the Black-Scholes option pricing model. The following assumptions were used for the Black-Scholes valuation of warrants and stock options granted during the year:

	2010	2009
Risk-free interest rate	1.39%	1.43- 2.21%
Expected life of options	2 years	2 – 5 years
Annualized volatility	147%	141-163%
Dividend yield	0%	0%

Escrow shares

6,500,000 common shares were originally held in escrow and are to be released from escrow as follows: 10% upon the issuance of notice of listing of the common shares for trading by the Exchange, and the remainder in six equal tranches of 15% every nine months thereafter for a period of 36 months.

As of October 31, 2010, 4,550,000 shares were released leaving the balance of 975,000 shares held in escrow.

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Significant non-cash transactions were as follows:

	For the three months ended October 31, 2010	For the three months ended October 31, 2009	For the nine months ended October 31, 2010	For the nine months ended October 31, 2009
Shares issued on property acquisitions	$ 3,500	$ -	3,500	$ 431,100
Shares issued on debt settlement	25,000	-	25,000	-
Fair value of finders' options and warrants	-	-	15,270	49,793
Shares issued on reverse take-over	-	-	1,118,760	-

11. RISK MANAGEMENT

The fair values of the Company's cash, short-term investments, receivables, loan receivable, accounts payables and accrued liabilities and due to related parties approximate their carrying values.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and interest risk.

Management of Financial Risk
The Company's financial instruments are exposed to certain financial risks, which include credit risk, interest rate risk, liquidity risk, and market risk.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. Receivables are due from the Government of Canada and for reimbursements. Management believes that credit risk related to these amounts is low.

Interest Rate Risk
Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its short-term investment.

Liquidity Risk
Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company is not subject to currency risk as the functional currency is the Canadian dollar. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk. The Company is not affected by price risk.

Management of Industry Risk
The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

12. CAPITAL MANAGEMENT

The Company considers its capital structure to be shareholders' equity represented by net assets over liabilities. The Company manages its capital structure based on the funds available to the Company, in order to support acquisition, maintenance, exploration, and development of mineral properties.

The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed.
The Company is not subject to externally imposed capital restrictions.

13. SUBSEQUENT EVENT

On November 9, 2010, the Company issued 150,000 shares on the acquisition of Connor Creek property (Note 5) valued at $3,500 on the issuance date.