Revolution Resources Corp

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

July 31, 2011

(Unaudited)

REVOLUTION RESOURCES CORP.

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended July 31, 2011.

REVOLUTION RESOURCES CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	July 31, 2011	October 31, 2010
ASSETS		
Current		
Cash	$ 6,061,112	$ 4,384,055
Receivables	74,468	80,936
Prepayments	47,606	-
	6,183,186	4,464,991
Loans receivable (Note 3)	300,000	300,000
Equipment (Note 4)	12,404	6,324
Mineral property interests (Note 5)	11,683,612	5,851,489
	$ 18,179,202	$ 10,622,804
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 528,254	$ 301,714
Exploration expenditures payable (Note 5)	87,114	6,065
	615,368	307,779
Shareholders' equity		
Capital stock (Note 7)	22,555,683	12,659,871
Contributed surplus (Note 7)	2,283,933	1,516,529
Deficit	(7,275,782)	(3,861,375)
	17,563,834	10,315,025
	$ 18,179,202	$ 10,622,804

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

On behalf of the Board:

"Aaron Keay" Director *"Michael Williams"* Director

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

REVOLUTION RESOURCES CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited)

	Three months ended July 31, 2011	Three months ended July 31, 2010	Nine months ended July 31, 2011	Nine months ended July 31, 2010
ADMINISTRATION EXPENSES				
Amortization (Note 4)	$ 974	$ 168	$ 1,922	$ 336
Consulting fees	1,000	29,500	43,500	121,910
Directors fees	30,000	30,000	185,000	30,000
Financing fee (Note 6)	-	-	-	40,000
Insurance	23,338	-	34,612	-
Interest expense (Note 6)	-	-	-	27,329
Investor relations and promotion	463,201	15,793	1,136,714	82,422
Management fees	45,000	45,000	210,000	52,500
Office, shareholder communication and miscellaneous	57,500	115,576	161,331	203,986
Professional fees	45,728	50,202	179,461	83,858
Property investigation costs	66,992	31,417	172,929	31,417
Shareholder communication	21,495	-	72,486	-
Stock-based compensation (Note 7)	134,002	3,631	860,464	1,219,936
Transfer agent and filing fees	16,601	5,269	49,486	9,870
Travel	181,555	163,334	354,322	195,445
Loss before other items	(1,087,386)	(489,890)	(3,462,227)	(2,099,009)
OTHER ITEMS				
Interest income	32,635	1,393	46,884	1,393
Foreign exchange	936	-	936	-
	33,571	1,393	47,820	1,393
Loss and comprehensive loss for the period	(1,053,815)	(488,497)	(3,414,407)	(2,097,616)
Deficit beginning of period	(6,221,967)	(2,892,788)	(3,861,375)	(1,283,669)
Deficit end of period	$ (7,275,782)	$ (3,381,285)	$ (7,275,782)	$ (3,381,285)
Basic and diluted loss per share	$ (0.02)	$ (0.01)	$ (0.07)	$ (0.10)
Weighted average number of common shares outstanding	57,711,550	39,602,500	51,485,559	21,208,187

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

REVOLUTION RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended July 31, 2011	Three months ended July 31, 2010	Nine months ended July 31, 2011	Nine months ended July 31, 2010
CASH FROM OPERATING ACTIVITIES				
Loss for the period	$ (1,053,815)	$ (488,497)	$ (3,414,407)	$ (2,097,616)
Items not affecting cash:				
Amortization	974	168	1,922	336
Stock-based compensation	134,002	3,631	860,464	1,219,936
Finance fee	-	-	-	40,000
Changes in non-cash working capital items:				
Receivables	137,734	(18,809)	6,468	(29,555)
Prepayments	220,394	-	(47,606)	-
Accounts payable and accrued liabilities	(226,551)	68,266	(20,021)	67,023
Net cash used in operating activities	(787,262)	(435,241)	(2,613,180)	(799,876)
CASH FROM INVESTING ACTIVITIES				
Expenditures on mineral property interests	(1,180,271)	(1,502,113)	(4,388,238)	(3,085,598)
Exploration advances	-	6,134	-	(182,962)
Equipment	(8,002)	-	(8,002)	(2,244)
Net cash used in investing activities	(1,188,273)	(1,495,979)	(4,396,240)	(3,270,804)
CASH FROM FINANCING ACTIVITIES				
Proceeds on issuance of capital stock	3,000	-	9,331,025	9,440,000
Share issuance costs	-	(44,337)	(644,548)	(789,246)
Deferred finance costs	-	-	-	(86,263)
Loans payable	-	-	-	500,000
Loans repayment	-	-	-	(500,000)
Accrued interest on loans payable	-	-	-	-
Net cash provided by financing activities	3,000	(44,337)	8,686,477	8,564,491
Increase in cash during the period	(1,972,535)	(1,975,557)	1,677,057	4,493,811
Cash, beginning of period	8,033,647	7,305,031	4,384,055	835,663
Cash, end of period	$ 6,061,112	$ 5,329,474	$ 6,061,112	$ 5,329,474
Cash paid for interest during the period	$ -	$ -	$ -	$ 27,329
Cash paid for income taxes during the period	$ -	$ -	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 8)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Revolution Resources Corp. (formerly “Nuukfjord Gold Ltd.”) (the “Company”) is an exploration company incorporated on July 14, 2009 under the laws of the Province of British Columbia, Canada. The Company completed its Initial Public Offering (“IPO”) during the year ended October 31, 2010 and is listed on the Toronto Stock Exchange (“TSX”).

The Company is in the business of acquiring, exploring and developing economically viable mineral resource deposits on its mineral properties. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in completing its IPO and obtaining the required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern.

The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PRESENTATION

These interim consolidated financial statements include the accounts of Revolution Resources Corp. and its wholly owned subsidiary Storgold Resources Ltd. (“Storgold”). The interim period consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. All financial summaries included are presented on a comparative and consistent basis. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest audited filing. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. BASIS OF PRESENTATION (Cont'd...)

New accounting standards

Business combinations, non-controlling interest and consolidated financial statements

In October 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 1582 is applicable for the Company's business combinations with acquisition dates on or after October 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning November 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2011. The transition date of November 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011. The Company has begun assessing the adoption of IFRS for fiscal 2012 and is currently assessing its accounting policy choices under IFRS.

3. LOANS RECEIVABLE

During the year ended October 31, 2010 the Company granted loans to certain Directors totaling $300,000. The loans were solely used for acquiring shares of the Company and are repayable on August 12, 2014. The loans do not bear interest, unless in default, at which time the loans bear interest at 6% per annum. The loans are secured by the 2,000,000 common shares of the company acquired by the loan.

4. EQUIPMENT

	July 31, 2011			October 31, 2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computers	$ 15,072	$ 2,668	$ 12,404	$ 7,070	$ 746	$ 6,324

5. MINERAL PROPERTY INTERESTS

	July 31, 2011		
	Nuukfjord	Champion Hills	Total
Exploration costs			
Balance, beginning of period	$ 3,931,986	$ 172,987	$ 4,104,973
Assays	-	343,803	343,803
Drilling	-	1,669,961	1,669,961
Equipment rental and maintenance	-	235,373	235,373
Fees & licenses	21,154	-	21,154
Field work, field personnel and geological consulting	34,214	1,002,719	1,036,933
Management fees	13,750	13,750	27,500
Project administration and report preparation	39,133	-	39,133
Travel and transportation	-	189,592	189,592
	108,251	3,455,198	3,563,449
Balance, end of period	4,040,237	3,628,185	7,668,422
Acquisition costs			
Balance, beginning of period	1,727,389	19,127	1,746,516
Acquisition costs	-	2,268,674	2,268,674
Balance, end of period	1,727,389	2,287,801	4,015,190
Balance, July 31, 2011	$ 5,767,626	$ 5,915,986	$ 11,683,612

	October 31, 2010		
	Nuukfjord	Champion Hills	Total
Exploration costs			
Balance, beginning of period	$ 1,589,080	$ -	$ 1,589,080
Assays	151,820	1,091	152,911
Drilling	433,241	29,930	463,171
Equipment rental and maintenance	186,288	6,776	193,064
Field work, field personnel and geological consulting	777,831	127,204	905,035
Management fees	30,000	2,500	32,500
Project administration and report preparation	101,235	-	101,235
Travel and transportation	662,491	5,486	667,977
	2,342,906	172,987	2,515,893
Balance, end of period	3,931,986	172,987	4,104,973
Acquisition costs			
Balance, beginning of period	1,727,389	-	1,727,389
Other acquisition costs	-	19,127	19,127
Balance, end of period	1,727,389	19,127	1,746,516
Balance, October 31, 2010	$ 5,659,375	$ 192,114	$ 5,851,489

5. MINERAL PROPERTY INTERESTS (cont'd…)

Title to mineral properties

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

Champion Hills Properties (USA)

During fiscal 2010 the Company entered into a purchase and sale agreement with a non-arm's length private company. Under the terms of the purchase and sale agreement, the Company can acquire a 90% interest in two option and lease agreements for total consideration of 2,000,000 common shares and US$375,000 payable over a 9 month period. The Company has the right of first refusal on the remaining 10% after incurring US$1,000,000 in exploration expenditures. During the period ended July 31, 2011, the Company received TSX approval, issued 2,000,000 common shares valued at $930,000 and paid $272,582 (US$275,000). On completion of the purchase and sale agreement, the Company will be assigned 90% of the rights and obligations under the option and lease agreements on the two mineral properties.

The Company subsequently entered into various additional option and purchase agreements directly with the property owners which entitle the Company to acquire 100% of the properties. During the period the Company paid $367,270 (October 31, 2010 - $19,127) on signing.

As at July 31, 2011 the various option and purchase agreements cover approximately 1,900 acres (October 31, 2010 - 278 acres), require annual lease payments of US$200 per acre over a five year term and US$1 per foot drilled. The Company has the option to purchase each land package for the greater of 150% of the appraised value or a certain fixed price. Upon commencement of commercial production the properties are subject to a 2% Net Smelter Return Royalty ("NSR").

Silver Hill and Silver Valley

During fiscal 2011 the Company entered into two separate letter agreements with a private company, Carolina Mineral Resources Inc. (CMRI), on properties known as the Silver Hill mine and the Silver Valley Mine, North Carolina.

Under the terms of the Silver Hill property agreement the Company can earn 100% of CMRI's rights to a mineral lease agreement for consideration of US$220,000, exploration expenditures totaling US$2,500,000 and the issuance 300,000 common shares, all over a four year period. The Company is also required to issue 500,000 common shares upon completion of a positive, bankable feasibility study and an additional 500,000 common shares upon commencement of commercial production. The property is subject to a 4% NSR. During the period ended July 31, 2011, the Company issued 75,000 common shares valued at $44,250 and paid $59,146 (US$60,000).

Under the terms of the Silver Valley mine agreement the Company can earn 100% of CMRI's rights to a mineral lease agreement for consideration of US$200,000, exploration expenditures totaling US$2,500,000 and the issuance of 300,000 common shares, all over a four year period. The Company is also required to issue 500,000 common shares upon completion of a positive, bankable feasibility study, and an additional 500,000 common shares upon commencement of commercial production. The property is subject to a 4% NSR. During the period ended July 31, 2011, the Company issued 75,000 common shares valued at $44,250 and paid $39,430 (US$40,000). .

5. MINERAL PROPERTY INTERESTS (cont'd…)

Virgilina

During fiscal 2011 the Company entered into an option agreement on the Virgilina copper property, North Carolina. The Company can earn 100% interest in the property for consideration of US$600,000 payable over four years, exploration expenditures totaling US$1,500,000 and the issuance of 400,000 common shares, all over a four year period. The Company is also required to issue 500,000 common shares upon completion of a positive, bankable feasibility study and an additional 500,000 common shares upon commencement of commercial production. During the period ended July 31, 2011, the Company issued 100,000 common shares valued at $59,000 and paid $118,291 (US$120,000).

Hoover Hill

During fiscal 2011 the Company entered into an option and purchase agreement on the Hoover Hill mine property, North Carolina. The Company has a four year option to purchase each land package for the greater of 150% of the appraised value or a certain fixed price. The Company paid $295,680 (US$300,000) on signing and issued 100,000 share purchase warrants with a fair value of $38,775. The option can be extended for an additional year for US$100,000. Each warrant entitles the holder to one common share at an exercise price of $0.75 for a period of four years. The fair value of these warrants was estimated using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 1.87%; dividend yield 0%; volatility of 100%; and an expected life of 3 years. The Company paid other share issuance costs of $104,548.The property is subject to a 2% NSR, of which one-half (1%) may be purchased for US$1,000,000.

Nuukfjord (Greenland)

By agreement dated July 17, 2009, as amended July 18, 2009, December 21, 2009 and February 25, 2010 (the "Acquisition Agreement") the Company acquired all of the issued and outstanding shares of Storgold Resources Ltd. ("Storgold"). Storgold's material asset at that time was a property option agreement (the "Option Agreement") with NunaMinerals A/S (a public Danish company) on certain mineral licenses in Greenland (the "Property"). Pursuant to the Acquisition Agreement, the Company issued 6,650,000 common shares valued at $1,662,500, granted a 0.5% NSR and reimbursed the vendors' prior expenditures incurred in negotiating the Option Agreement of $64,889, which were recorded as other acquisition costs, and $13,967 recorded as exploration costs.

Pursuant to the Acquisition Agreement, the Company raised financing of $1,250,000 and listed its common shares on the TSX.

The Option Agreement entitles the Company to earn up to a 65% interest in the Property, in incremental phases. To earn the full 65% interest the Company is required to pay $23,000,000 towards exploration expenditures over four years. The payments toward exploration expenditures and the interest earned are as follows:

> Phase A – In earning its initial 15% interest the Company advanced $3,500,000 in exploration expenditures.
>
> Phase B – The Company is required to advance an additional $3,500,000 towards exploration expenditures by September 30, 2011 for an additional 15% interest,

5. MINERAL PROPERTY INTERESTS (cont'd…)

Nuukfjord (Greenland) (cont'd…)

Phase C – The Company is required to advance an additional $4,500,000 towards exploration expenditures by September 30, 2012 for an additional 19% interest,

Phase D – The Company is required to advance an additional $11,500,000 towards exploration expenditures by September 30, 2013 for an additional 16% interest.

Pursuant to the Option Agreement, NunaMinerals A/S is the operator, and will conduct all work on the Property. NunaMinerals A/S may, at its election, incur exploration expenses in advance of the option payment dates, which will be subsequently reimbursed by the Company.

The Company's completion of Phase A was mandatory, whereas advancement of funds required to exercise the option in respect of Phase B, C and D respectively are entirely at the Company's option. Upon the completion of any of Phases A, B or C, the Company has the option to form a joint venture partnership with NunaMinerals A/S or to complete the next phase. Upon the completion of Phase D a joint venture will have deemed to have formed. When a joint venture is formed a new Danish company will be formed to hold title to the Property, which will be owned by Storgold and NunaMinerals A/S as to their respective interests. Contributions will be made based on each company's interest.

If subsequent to joining the joint venture the Company elects not to contribute its proportionate share of costs, the Company's interest is subject to dilution. If the Company's interest dilutes to less that 10%, its interest will automatically convert to a 1% NSR.

Exploration expenditures payable

As at July 31, 2011, NunaMinerals A/S had incurred additional expenditures of $87,114 (October 31, 2010 - $6,065), recorded as exploration expenditures payable.

6. LOANS PAYABLE

During the year ended October 31, 2010, the Company entered into loan agreements for proceeds of $500,000 of which $100,000 was owed to a company owned by an officer of the Company. The loans bear interest at 15% per annum and were repayable at the earliest of (i) within five days following the Company's first day of trading on the TSX, (ii) July 31, 2010, or (iii) at the election of the lender in the event of default. The Company also issued 100,000 special warrants to the lenders (of which 20,000 special warrants were issued to a company owned by an officer of the Company) as a financing fee valued at $40,000, which were converted to common shares of the Company upon the closing of the IPO. On commencement of the Company trading on the TSX the Company repaid the loans and interest totaling $527,329.

In addition, the Company entered into a loan agreement for a $250,000 non-interest bearing loan due the earlier of (i) 30 days of receipt or (ii) the first day of trading on the TSX. The loan was repaid in full during the year ended October 31, 2010.

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Capital Stock			
	Number of Shares		Amount	Contributed Surplus
Authorized:				
Unlimited common shares without par value				
Issued and outstanding:				
As at October 31, 2009	20,370,000	$	4,415,000	$ -
Private placement	1,012,500		405,000	-
Initial public offering	18,000,000		9,000,000	-
Finders' and corporate finance fees	120,000		(675,000)	-
Brokers warrants	-		(294,620)	294,620
Other share issuance costs	-		(230,509)	-
Conversion of special warrants	100,000		40,000	-
Stock-based compensation	-		-	1,221,909
As at October 31, 2010	39,602,500	$	12,659,871	$ 1,516,529
Private placement	15,000,000		9,000,000	-
Share issuance costs	-		(807,524)	162,976
Stock Options & brokers warrants	662,050		493,836	(162,811)
For mineral property interests	2,250,000		1,077,500	38,775
Stock-based compensation	200,000		132,000	728,464
As at July 31, 2011	57,714,550	$	22,555,683	$ 2,283,933

Included in capital stock are 1,927,500 common shares subject to an escrow agreement that may not be transferred, assigned or otherwise dealt with without consent of the regulatory authorities.

Private placements

During the period ended July 31, 2011, the Company completed a brokered private placement and issued 15,000,000 common shares at $0.60 per common share for proceeds of $9,000,000. The Company paid $540,000 and issued 900,000 broker warrants as finder's fees. Each broker warrant entitles the hold to acquire one common share at a price of $0.80 for a period of one year. An estimated fair value of $162,976 was assigned to the brokers' warrants. The fair value of these broker warrants was estimated using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 1.74%; dividend yield 0%; volatility of 100%; and an expected life of 1 year. The Company paid other share issuance costs of $104,548.

During the year ended October 31, 2010, the Company issued 1,012,500 shares at $0.40 per share for proceeds of $405,000.

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Initial public offering

The Company issued for its IPO 18,000,000 shares at $0.50 per share for gross proceeds of $9,000,000. The Company paid $630,000 and issued 100,000 common shares valued at $50,000 as finders' fees and paid $45,000 and issued 20,000 common shares valued at $10,000 as a corporate finance fee. The Company also paid $230,509 as other share issuance costs, of which, $42,250 was deferred as at October 31, 2009. The brokers were also given 1,260,000 brokers' warrants. Each warrant is exercisable at $0.50 for one share for a period of two years. The warrants were valued at $294,620 using the Black-Scholes option pricing model with a weighted average expected volatility of 100%, risk free interest rate of 1.97%, expected life of one and one-half year and dividend yield of 0%.

Special warrants

During fiscal 2010, the Company issued 100,000 special warrants which were converted to common shares of the Company upon the closing of the IPO (Note 6).

Bonus Shares

During the period, the Company issued 200,000 bonus shares valued at $132,000 to a service provider of the Company for exceptional performance, which are recorded in stock based compensation.

Stock option plan

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Stock options and warrants

Stock option and warrant transactions are summarized as follows:

	Warrants		Stock options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, October 31, 2009	-	$ -	-	$ -
Granted	1,260,000	0.50	3,950,000	0.50
Cancelled	-	-	(175,000)	0.50
Outstanding, October 31, 2010	1,260,000	0.50	3,775,000	0.50
Granted	1,000,000	0.80	2,030,000	0.72
Exercised	(562,050)	0.50	(100,000)	0.50
Outstanding, July 31, 2011	1,697,950	$ 0.67	5,705,000	$ 0.57
Number currently exercisable	1,697,950	$ 0.67	5,251,250	$ 0.57

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock options and warrants (cont'd…)

The following incentive stock options and warrants were outstanding at July 31, 2011:

Number		Exercise price	Expiry date
Stock options			
75,000	$	0.50	May 19, 2012
100,000		0.80	April 12, 2013
225,000		0.80	May 15, 2014
3,600,000		0.50	April 27, 2015
1,225,000		0.70	February 15, 2016
150,000		0.80	May 11, 2016
330,000		0.70	June 15, 2016
Brokers Warrants			
900,000	$	0.80	February 4, 2012
697,950		0.50	April 27, 2012
Special Warrants			
100,000	$	0.75	March 15, 2015

Stock-based compensation

During the period ended July 31, 2011, the Company granted 2,030,000 (July 31, 2010 – 3,700,000) options with a weighted-average fair value of $0.44 per option (July 31, 2010 - $0.33) to directors, officers and consultants. Total stock-based compensation recognized in the statement of operations during the period ended July 31, 2011 was $860,464 (July 31, 2010 - $1,216,305) for incentive options granted and vested. This amount was also recorded as contributed surplus on the balance sheet.

The following weighted average assumptions were used for the valuation of stock options:

	July 31, 2011	July 31, 2010
Risk-free interest rate	2.43%	2.49%
Expected life of options	2.9 years	3 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended July 31, 2011 include the Company:

a) Incurring mineral property expenditures of $384,094 through accounts payable and exploration expenditures payable.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd…)

b) Issuing of 2,250,000 common shares at a value of $1,077,500 pursuant to the acquisition of mineral properties.

c) Issuing of 100,000 special warrants with a fair value of $38,775 pursuant to the acquisition of mineral properties.

d) Granting 900,000 brokers' warrants valued at $162,976 as finders' fees in relation to the Brokered Private Placement.

Significant non-cash transactions for the period ended July 31, 2010 include the Company:

a) Incurring mineral property expenditures of $73,764 through accounts payable and accrued liabilities.

b) Issuing 100,000 special warrants as finance fees, which were converted to common shares at a value of $40,000.

c) Granting 1,260,000 brokers' warrants valued at $294,260 as finders' fees in relation to the IPO.

d) Issuing 120,000 common shares at a value of $60,000 as finders' and corporate finance fees in relation to the IPO.

9. RELATED PARTY TRANSACTIONS

During the period ended July 31, 2011, the Company:

a) Paid or accrued management fees of $210,000 (2010 - $52,500) to an officer and director of the Company

b) Paid or accrued geological consulting fees of $28,750 (2010 - $22,500) to an officer of the Company.

c) Paid or accrued professional fees of $75,000 (2010 - $27,500) to officers of the Company.

d) Paid or accrued directors fees of $185,000 (2010 - $30,000) to directors of the Company.

e) Paid or accrued promotional fees of $39,837 (2010 - $Nil) to a Company controlled by a director of the Company.

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

Included in accounts payable is $8,964 (2010 - $Nil) due to an officer of the Company.

The Company operates from the premises of a group of public and private companies with common directors. Certain companies provide geological consulting and office and administrative services to the Company and various other public companies. Included in accounts payable and accrued liabilities is $52,701 (2010 - $Nil) due to the public company. During the period the Company paid or accrued $449,420 (2010 - $Nil) for geological consulting, and $40,027 (2010 - $Nil) for office and administrative expenditures.

10. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition, exploration and development of mineral property concessions. Geographic information is as follows:

	July 31, 2011	October 31, 2010
Capital assets:		
Canada	$ 12,404	$ 6,324
USA	5,915,986	192,114
Greenland	5,767,626	5,659,375
	$ 11,696,015	$ 5,857,813

11. SUBSEQUENT EVENT

Subsequent to July 31, 2011 the Company entered into further option and purchase agreements in the Champion Hills area with terms consistent with Note 5 of the financial statements.