

**GOLDBROOK VENTURES INC.**  
**INTERIM FINANCIAL STATEMENTS**

**January 31, 2010**

*(Unaudited)*

NOTICE TO READER

INTERIM BALANCE SHEET

INTERIM STATEMENT OF LOSS AND COMPREHENSIVE INCOMD AND LOSS

INTERIM STATEMENT OF DEFICIT

INTERIM STATEMENT OF CASH FLOWS

NOTES TO INTERIM FINANCIAL STATEMENTS

## **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 statement for the period ended January 31, 2010.

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### **NOTICE TO READER**

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The interim balance sheet as at January 31, 2010 and the interim statements of loss and deficit, and the interim statements of cash flows for the nine-month period then ended are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Villeneuve & Venne S.E.N.C..

The interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian Generally Accepted Accounting Principles.

*/s/ David Baker*

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David Baker, Director  
April 1, 2010

*/s/ Earl Terris*

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Earl Terris, Director  
April 1, 2010

**GOLDBROOK VENTURES INC.  
INTERIM BALANCE SHEET**

|  | <u>January 31, 2010</u> | <u>April 30, 2009</u><br><i>(Audited)</i> |
|--|-------------------------|---|
| <b>ASSETS</b>  |                         |   |
| <b>Current Assets</b>  |                         |   |
| Cash   | \$ 3,658,781            | \$ 5,204,353                              |
| Cash for exploration   | -                       | 6,029,701                                 |
| Accounts receivable (Note 4)                                       | 4,633,874               | 5,897,869                                 |
| Prepaid expenses   | 69,323                  | 53,595                                    |
| Inventory (Note 3 and 6)   | 1,148,664               | 1,553,133                                 |
| Total Current Assets   | <u>9,510,642</u>        | <u>18,738,651</u>                         |
| <b>Marketable Securities</b> (Note 5)                              | <u>3,750</u>            | <u>1,048,000</u>                          |
| <b>Investment in Associates</b> (Note 9)                           | <u>3,752,500</u>        | <u>-</u>                                  |
| <b>Mineral Properties</b> (Note 3 and 8)                           | <u>33,625,988</u>       | <u>33,625,424</u>                         |
| <b>Property and Equipment, net</b> (Note 7)                        | <u>75,689</u>           | <u>58,324</u>                             |
| <b>TOTAL ASSETS</b>  | <u>\$ 46,968,569</u>    | <u>\$ 53,470,399</u>                      |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                        |                         |   |
| <b>Current Liabilities</b>   |                         |   |
| Accounts payable and accrued liabilities                           | \$ 11,319               | \$ 99,098                                 |
| Deferred exploration contribution                                  | \$ 6,323,438            | \$ 12,980,989                             |
|  | <u>6,334,757</u>        | <u>13,080,087</u>                         |
| <b>Shareholders' Equity</b>  |                         |   |
| Authorized: unlimited common shares and unlimited preferred shares |                         |   |
| Issued – 181,140,340 common shares                                 |                         |   |
| (April 30, 2009 – 178,171,699 common shares) (Note 10(b))          | 44,141,905              | 43,576,144                                |
| Common shares subscribed not issued                                | -                       | -   |
| Common share purchase warrants outstanding (Note 10(f))            | 10,691,493              | 10,761,069                                |
| Contributed surplus (Note 14)                                      | 3,475,371               | 3,611,371                                 |
| Accumulated other comprehensive income (loss) (Note 11)            | (29,250)                | (257,037)                                 |
|  | <u>58,279,519</u>       | <u>57,691,547</u>                         |
| Deficit, accumulated during the development stage                  | (17,645,707)            | (17,301,235)                              |
| Total Shareholders' Equity   | <u>40,633,812</u>       | <u>40,390,312</u>                         |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                  | <u>\$ 46,968,569</u>    | <u>\$ 53,470,399</u>                      |

APPROVED ON BEHALF OF THE BOARD:

("sgd") "David Baker"

("sgd") "Earl Terris"

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

**GOLDBROOK VENTURES INC.**  
**INTERIM STATEMENT OF LOSS AND COMPREHENSIVE INCOME AND LOSS**

|   | <b>3 Months</b><br><b>31-Jan-10</b> | 3 Months<br>31-Jan-09          | <b>9 Months</b><br><b>31-Jan-10</b> | 9 Months<br>31-Jan-09            |
|---|-------------------------------------|--------------------------------|-------------------------------------|----------------------------------|
|   | -                                   | -                              | -                                   | -                                |
| <b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>              |                                     |                                |                                     |                                  |
| Depreciation on property and equipment                    | \$ 5,320                            | \$ 3,495                       | \$ 13,010                           | \$ 10,059                        |
| Consulting fees (Note 15)                                 | 478,400                             | 284,042                        | 694,700                             | 490,704                          |
| Management fees   | 575,000                             | 121,500                        | 717,500                             | 248,500                          |
| Office and general expenses (Note 15)                     | 244,688                             | 146,093                        | 482,727                             | 314,857                          |
| Professional fees (Note 15)                               | 54,574                              | 108,367                        | 66,818                              | 248,558                          |
| Regulatory fees & services                                | 9,754                               | 12,010                         | 17,750                              | 39,547                           |
| Shareholders' communication, travel & promotion (Note 15) | 197,467                             | 100,232                        | 323,301                             | 302,658                          |
| Stock option compensation                                 | -                                   | -                              | -                                   | 400,000                          |
| Wages and benefits  | 387,841                             | 85,390                         | 522,143                             | 203,217                          |
| Total General and Administration Expenses                 | <u>(1,953,044)</u>                  | <u>(861,129)</u>               | <u>(2,837,949)</u>                  | <u>(2,258,100)</u>               |
| <b>LOSS BEFORE OTHER ITEMS</b>                            | <b>(1,953,044)</b>                  | <b>(861,129)</b>               | <b>(2,837,949)</b>                  | <b>(2,258,100)</b>               |
| <b>OTHER ITEMS</b>  |                                     |                                |                                     |                                  |
| Interest income   | -                                   | 2,960                          | -                                   | 9,138                            |
| Other income (Note 16)                                    | 13,014                              | -                              | 13,014                              | -                                |
| Gain (loss) from sale of investments (Note 5)             | 2,480,463                           | 727                            | 2,480,463                           | (200,889)                        |
| <b>NET INCOME (LOSS) BEFORE COMPREHENSIVE LOSS</b>        | <b><u>540,433</u></b>               | <b><u>(857,442)</u></b>        | <b><u>(344,472)</u></b>             | <b><u>(2,449,851)</u></b>        |
| <b>OTHER COMPREHENSIVE GAIN (LOSS)</b>                    |                                     |                                |                                     |                                  |
| Unrealized gain (loss) from marketable securities         | <u>(1,958,263)</u>                  | 75,087                         | <u>227,787</u>                      | 66,087                           |
| <b>COMPREHENSIVE LOSS FOR THE PERIOD</b>                  | <b><u><u>(1,417,830)</u></u></b>    | <b><u><u>(782,355)</u></u></b> | <b><u><u>(116,685)</u></u></b>      | <b><u><u>(2,383,764)</u></u></b> |

The accompanying notes are an integral part of these financial statements

**GOLDBROOK VENTURES INC.  
INTERIM STATEMENT OF DEFICIT**

|   | <b>3 Months<br/>31-Jan-10</b> | 3 Months<br>31-Jan-09 | <b>9 Months<br/>31-Jan-10</b> | 9 Months<br>31-Jan-09 |
|---|-------------------------------|-----------------------|-------------------------------|-----------------------|
|   | -                             |                       |                               |                       |
| <b>DEFICIT, BEGINNING OF PERIOD</b>                         | <b>\$(18,186,140)</b>         | \$(15,966,502)        | <b>\$ (17,301,235)</b>        | \$ (14,374,093)       |
| <b>NET INCOME (LOSS) FOR THE PERIOD</b>                     | <b>540,433</b>                | (857,442)             | <b>(344,472)</b>              | (2,449,851)           |
| <b>DEFICIT, END OF PERIOD</b>                               | <b>\$ (17,645,707)</b>        | \$ (16,823,944)       | <b>\$ (17,645,707)</b>        | \$ (16,823,944)       |
| <b>Weighted Average Common Shares Outstanding (Note 13)</b> |                               |                       |                               |                       |
| - Basic and diluted   |                               |                       | <b>179,344,252</b>            | 168,356,352           |
| <b>LOSS PER COMMON SHARE</b>                                |                               |                       |                               |                       |
| - Basic   |                               |                       | <b>\$ (0.002)</b>             | \$ (0.02)             |
| - Diluted   |                               |                       | <b>\$ (0.002)</b>             | \$ (0.02)             |

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

**GOLDBROOK VENTURES INC.**  
**INTERIM STATEMENT OF CASH FLOWS**

|   | <b>3 Months</b><br><b>31-Jan-10</b> | 3 Months<br>31-Jan-09<br><i>(Restated)</i> | <b>9 Months</b><br><b>31-Jan-10</b> | 9 Months<br>31-Jan-09<br><i>(Restated)</i> |
|---|-------------------------------------|--|-------------------------------------|--|
| <b>FUNDS DERIVED FROM (Applied to)</b>              |                                     |  |                                     |  |
| <b>Operating Activities</b>                         |                                     |  |                                     |  |
| Comprehensive loss for period                       | \$(1,417,830)                       | \$(782,355)                                | \$(116,685)                         | \$(2,383,764)                              |
| Items not involving cash                            |                                     |  |                                     |  |
| Depreciation on property and equipment              | 5,320                               | 3,495                                      | 13,010                              | 10,159                                     |
| (Gain) loss from sale of investments                | (2,480,463)                         | (727)                                      | (2,480,463)                         | 200,889                                    |
| Stock-based compensation                            | -                                   | -  | -                                   | 400,000                                    |
| Other comprehensive (income) loss                   | 1,958,263                           | (75,087)                                   | (227,787)                           | (66,087)                                   |
|   | <u>(1,934,710)</u>                  | <u>(854,674)</u>                           | <u>(2,811,925)</u>                  | <u>(1,838,803)</u>                         |
| Changes in non-cash working capital balances        |                                     |  |                                     |  |
| (Increase) Decrease in accounts receivable          | 383,391                             | 7,415,201                                  | 1,263,995                           | 6,993,268                                  |
| (Increase) Decrease in prepaid expenses             | (9,060)                             | 2,216                                      | (15,728)                            | 17,969                                     |
| (Increase) Decrease in inventory                    | -                                   | 1,964,700                                  | 404,469                             | 1,964,700                                  |
| Increase (Decrease) in accounts payable             | (2,107,503)                         | (4,636,792)                                | (87,779)                            | (4,659,192)                                |
|   | <u>(3,667,882)</u>                  | <u>3,890,651</u>                           | <u>(1,246,968)</u>                  | <u>2,477,942</u>                           |
| <b>Investing Activities</b>                         |                                     |  |                                     |  |
| Disposal of investments in public company shares    | 3,752,500                           | 4,315                                      | 3,752,500                           | 157,731                                    |
| Acquisition of investments in public company shares | -                                   | (1,245,051)                                | -                                   | (1,245,051)                                |
| Investment in associates                            | (3,752,500)                         | -  | (3,752,500)                         | -  |
| Deposits for mining camp services                   | 1,232,500                           | 1,450,000                                  | -                                   | 10,000                                     |
| Deferred acquisition & exploration costs            | (30)                                | (2,559,776)                                | (564)                               | (147,480)                                  |
| Deferred exploration contribution                   | (403,576)                           | -  | (6,657,551)                         | -  |
| Purchase of capital assets                          | (29,496)                            | (4,262)                                    | (30,375)                            | (17,950)                                   |
|   | <u>799,398</u>                      | <u>(2,354,774)</u>                         | <u>(6,688,490)</u>                  | <u>(1,242,750)</u>                         |
| <b>Financing Activities</b>                         |                                     |  |                                     |  |
| Common shares issued                                | 318,185                             | -  | 360,185                             | 2,724,000                                  |
| Shares subscribed not issued                        | -                                   | -  | -                                   | (673,951)                                  |
|   | <u>318,185</u>                      | <u>-</u>                                   | <u>360,185</u>                      | <u>2,050,049</u>                           |
| <b>Cash, Increase (Decrease) During Period</b>      | <b>(2,550,299)</b>                  | <b>1,535,877</b>                           | <b>(7,575,273)</b>                  | <b>3,285,141</b>                           |
| <b>CASH, BEGINNING OF PERIOD</b>                    | <b>6,209,080</b>                    | <b>1,877,043</b>                           | <b>11,234,054</b>                   | <b>127,779</b>                             |
| <b>CASH, END OF PERIOD</b>                          | <b><u>\$3,658,781</u></b>           | <b><u>\$3,412,920</u></b>                  | <b><u>\$3,658,781</u></b>           | <b><u>\$3,412,920</u></b>                  |
| <b>Supplemental Cash Flow Information</b>           |                                     |  |                                     |  |
| Cash paid for interest                              |                                     |  | \$ -                                | \$ -                                       |
| Cash paid for income taxes                          |                                     |  | \$ -                                | \$ -                                       |

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

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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

The Company was incorporated as Goldbrook Explorations Inc. on May 20, 1983, in the Province of Ontario, Canada. On July 22, 2002, the Company changed its name to Goldbrook Ventures Inc. On April 14, 2003, the Company was granted a Certificate of Continuation under the Company Act of British Columbia.

The Company is a development stage enterprise in the process of exploring properties and has not yet determined whether the properties contain economically recoverable ore reserves. The recovery of the amounts shown as acquisition costs of mineral properties and the related deferred exploration costs is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mining claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since inception of \$17,645,707, and the Company will need additional funds to continue to explore and, if exploration is successful, to develop its properties. These factors create substantial doubt as to the ability of the Company to continue as a going concern unless sufficient funds are raised for ongoing operations. The Company intends to raise funds by private placements. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

**Note 2. Summary of Significant Accounting Policies**

(a) Basis of Presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. (GAAP)

(b) Translation of Foreign Currency

The Company utilizes the temporal method that translates assets, liabilities, revenues and expenses in a manner that retains their basis of measurement in terms of the Canadian dollar, which is used as the unit of measurement. In particular:

- (i) monetary items are translated at the rate of exchange in effect at the balance sheet date;
- (ii) non-monetary items are translated at historical exchange rates, unless such items are carried at market, in which case they are translated at the rate of exchange in effect at the balance sheet date;
- (iii) revenue and expense items are translated at the rate of exchange in effect on the dates they occur;
- (iv) depreciation or amortization of assets translated at historical exchange rates are translated at the same exchange rates as the assets to which they relate;
- (v) exchange gains or losses arising on conversion are included in other income or expense.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions, based on the best information judgment, 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 reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(d) Financial Instruments

(i) Financial Instruments – Change in Accounting Policies

The Company has adopted four new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”). These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

*Recognition and Measurement – Impact of adopting Sections 3855 and 3861*

In accordance with this new standard the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

*Comprehensive Income – Impact of adopting Section 1530*

The standard introduces the concept of comprehensive loss, which consists of net loss and other comprehensive income. The Company’s financial statements now include a Statement of Comprehensive Loss integrated with the statement of operations, which includes the components of comprehensive income. For the Company, other comprehensive income (“OCI”) is comprised of the unrealized gains on available-for-sale financial assets arising during the year.

Cumulated changes in OCI are included in Accumulated Other Comprehensive Income (“AOCI”), which is presented as a new category within shareholders’ equity on the balance sheet.

*Hedges (CICA Handbook Section 3865)*

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(d) Financial Instruments (cont'd)

(i) Financial Instruments – Change in Accounting Policies (cont'd)

*Valuation of Inventory – Impact of adopting Section 3031*

The Company has adopted the Section 3031 for the valuation of inventories at the lower of cost and replacement cost.

*Capital Disclosures*

On December 1, 2006, the CICA issued Section 1535, Capital Disclosures. Section 1535 requires the disclosure of (i) an entity's objectives, policies and process for managing capital; (ii) quantitative data about an entity's managed capital; (iii) whether an entity has complied with capital requirements; and, (iv) if an entity has not complied with such capital requirements, the consequences of such non-compliance. This standard became effective on January 1, 2008.

*Financial Instruments - Disclosures and presentation*

On December 1, 2006, the CICA issued two new accounting standards, Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation. These standards replace Section 3861, Financial Instruments – Disclosure and Presentation and enhance the disclosure of the nature and extent of risks arising from financial instruments and how the entity manages those risks. These new standards became effective on January 1, 2008. The accounts receivable and payable are on the normal course of the business and valued at their stated value due to their short term maturity.

(ii) Credit Risk

The Company places its investment in public company shares in several financial instruments and, limits the amount of credit exposure.

(iii) Foreign Currency Risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency. The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure of the Company's financial instruments recorded on its balance sheet.

(iv) Liquidity Risk

Pursuant to the new financial instrument standards (CICA Section 3855 and Section 1530), the Company classifies its marketable securities as "available for sale" and records the marketable securities at their fair values. The fair values are determined by using the close market prices of the last day of the period. At the same time, the unrealized gain or loss from change of fair value of the marketable securities are recognized as "other comprehensive income".

The Company is exposed to liquidity risk which is the risk that the Company will encounter difficulty in selling all of these common shares at an amount at least equivalent to its cost.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(e) Investments In Associates

As a result of the recent acquisition, the Company applies equity method, pursuant to International Accounting Standard 28, to record its investment in its associate with 25% of the voting shares. The initial fair value of the investment in the associate was determined by using the closing price on Toronto Stock Exchange.

(f) New Accounting Policies

(i) Newly Adopted Accounting Policies

*EIC-174, Mining Exploration Costs*

On March 27, 2009, the Emerging Issues Committee issued EIC-174, "Mining Exploration Costs", to provide additional guidance for mining exploration enterprises on when an impairment test is required. This Abstract should be applied to financial statements issued after March 27, 2009. The adoption of this Abstract had no impact on the financial statements of the Company.

*Section 1400, "General Standards of Financial Statement Presentation"*

Section 1400, "General Standards of Financial Statement Presentation" provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern.. The adoption of this standard did not have any impact on the Company's financial statements.

(ii) Future Accounting Policies

Canada's Accounting Standards Board ratified a plan that will result in Canadian GAAP being converged with International Financial Reporting Standards ("IFRS") by 2011. Management has performed a preliminary analysis and highlighted areas where its current Canadian accounting practices differ from IFRS. The impact on the Company's financial statements has not yet been determined.

In January 2009, the Accounting standards Board issued CICA Handbook Sections 1582, "Business Combinations", 1601, "Consolidated Financial Statements", and 1602, "Non-controlling Interests" which replaced CICA Handbook Sections 1581, "Business Combinations" and 1600, "Consolidated Financial Statements".

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(f) New Accounting Policies (cont'd)

(iii) Future Accounting Policies (cont'd)

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 May 1, 2011. Early adoption of this section is permitted.

Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 and 1602 may be applicable for the Company's interim and annual financial statements for its fiscal year beginning May 1, 2011. Early adoption of these sections is permitted and all three sections must be adopted concurrently, if applicable.

(g) Environmental Issues

The Company is not aware of any environmental studies made and of any present or past obligations.

The operations of the company may in the future be affected from time to time to varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the company vary greatly and are not predictable. The company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

(h) Recognition Criteria

Items recognized in these financial statements are accounted for in accordance with the accrual basis of accounting which recognizes the effect of transactions and events in the period in which they occurred. Revenues are generally recognized when performance is achieved and reasonable assurance regarding measurement and collectibility of the consideration exists. Gains are generally recognized when realized. Expenses and losses are generally recognized when an expenditure or previously recorded asset has no future economic benefit.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(i) Mineral Properties Acquisition Costs and Deferred Exploration Costs

- i) The Company capitalizes all deferred exploration costs that are associated with the properties until such time as the properties are either placed into production or title is lost or abandoned. Quebec corporate tax credits and mining duties credits based on exploration expenses incurred on Quebec properties are recorded as a decrease to deferred exploration costs. When properties are brought into production, associated costs are amortized over the useful life of the properties. When title is lost or abandoned, the associated costs are written off.
- ii) Acquisition costs of mineral properties are capitalized by the Company, and are dealt with in the same manner as deferred exploration costs in (i) above. Mineral property sale proceeds or option payments received for exploration rights are credited to current operations.
- iii) An impairment loss is recognized when the carrying amount of mineral properties is not recoverable and exceeds its fair value. Mineral properties are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors.

(j) Stock-based compensation

The Company has adopted in 2004 the CICA Handbook Section 3870, "Stock-based compensation and other stock-based payments", effective April 1, 2004. This Section establishes accounting standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments. This Section sets out a fair value based method of accounting and is required for certain stock-based transactions and applied to awards granted on or after April 1, 2004. The Company, as permitted by Handbook Section 3870, has elected to account for all stock options granted to non-employees and employees by applying the fair value based method of accounting. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant.

(k) Property and Equipment

The Company depreciates its property and equipment on the declining balance method, at the following rates per year based upon their estimated useful lives.

|  |     |
|--|-----|
| Office equipment and leasehold improvement | 20% |
| Leasehold improvement                      | 20% |
| Computer equipment                         | 30% |

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(l) Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets, which consist primarily of mineral property, property and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying values of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

(m) Income Taxes

Future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, using the enacted or substantively enacted, as applicable, income tax rates at each balance sheet date. Future income tax assets also result from unused loss carry-forwards and other deductions. The valuation of future income tax assets is reviewed on a regular basis and adjusted, if necessary, by use of valuation allowances to reflect the estimated realizable amount.

(n) Loss Per Common Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the stock options and warrants that are used to purchase common shares at the average market price during the year. During the nine months ended January 31, 2010, all of the outstanding stocks are antidilutive (see Note 13).

Note 3. **Prior Years Reclassification**

As at April 30, 2007 and 2008, the Company incorrectly recorded the fuel inventory as expenses capitalized at the mining properties.

Adjustments have been made with retroactive effect, and accordingly the comparative figures have been restated. The impact of these changes on the April 30, 2008 balance sheet are the increase of inventory of \$1,964,700 and the decrease of mining properties of \$1,964,700. The comparative figures in the interim statement of cash flow for the period ended January 31, 2009 has been restated accordingly.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 4. Accounts Receivable**

The followings are included in accounts receivable

|  | <u>January 31, 2010</u> | <u>April 30, 2009</u> |
|--|-------------------------|-----------------------|
| GST receivable                                     | \$ 60,561               | \$ 54,602             |
| QST receivable                                     | 225,221                 | 40,074                |
| Quebec Mining Duties credit receivable (Note 8(i)) | 6,204                   | 1,315,218             |
| Quebec Corporate Tax credit receivable (Note 8(i)) | -                       | 32,628                |
| Receivable from related parties (Note 12)          | -                       | 134,459               |
| Receivable from joint venture partner (Note 8(i))  | 4,320,888               | 4,320,888             |
| Receivable for shares subscribed                   | 21,000                  | -                     |
| <b>Total</b>                                       | <b>\$ 4,633,874</b>     | <b>\$ 5,897,869</b>   |

**Note 5. Marketable Securities**

As January 31, 2010, the Company had available for sale securities as follows:

|                             | <u>January 31, 2010</u> |                 |                     | <u>April 30, 2009</u> |                    |                     |
|-----------------------------|-------------------------|-----------------|---------------------|-----------------------|--------------------|---------------------|
|                             | <u># of shares</u>      | <u>Cost</u>     | <u>Market value</u> | <u># of shares</u>    | <u>Cost</u>        | <u>Market value</u> |
| <b><u>Common Shares</u></b> |                         |                 |                     |                       |                    |                     |
| Resolve Ventures Inc.       | 15,000                  | \$33,000        | \$3,750             | 15,000                | \$33,000           | \$3,000             |
| Canadian Royalties Inc.     | -                       | -               | -                   | 4,750,000             | 1,272,037          | 1,045,000           |
|                             |                         | <u>\$33,000</u> | <u>\$3,750</u>      |                       | <u>\$1,305,037</u> | <u>\$1,048,000</u>  |

On November 25, 2009, the Company tendered the 4,750,000 shares of Canadian Royalties Inc. to Jien Canada Mining Ltd. as the investment in Jien Canada Mining Ltd (Note 9). The Company recorded the contribution as a deemed sale of 4,750,000 Canadian Royalties Inc. shares at a sale price of \$0.79 per share (the November 25, 2009 closing price of Canadian Royalties Inc. on Toronto Stock Exchange). As such, gain from sale of those stocks in the amount of \$2,480,463 was deemed realized and recognized, and all unrealized losses recorded previously as other comprehensive loss were reversed (Note 11).

**Note 6. Inventory**

|                | <u>January 31, 2010</u> | <u>April 30, 2009</u> |
|----------------|-------------------------|-----------------------|
| Fuel inventory | <u>\$ 1,148,664</u>     | <u>\$1,553,133</u>    |

**GOLDBROOK VENTURES INC.**  
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**Note 7. Property and Equipment**

| <b>January 31, 2010</b> |    | <b>Cost</b> | <b>Accumulated<br/>Depreciation</b> | <b>Net</b> |
|-------------------------|----|-------------|-------------------------------------|------------|
| Office equipment        | \$ | 35,153      | \$ 17,148                           | \$ 18,005  |
| Computer equipment      |    | 85,398      | 55,735                              | 29,663     |
| Leasehold improvement   |    | 29,496      | 1,475                               | 28,021     |
|                         | \$ | 150,047     | \$ 74,358                           | \$ 75,689  |

| <b>April 30, 2009</b> |    | <b>Cost</b> | <b>Accumulated<br/>Depreciation</b> | <b>Net</b> |
|-----------------------|----|-------------|-------------------------------------|------------|
| Office equipment      | \$ | 35,153      | \$ 13,971                           | \$ 21,182  |
| Computer equipment    |    | 84,519      | 47,377                              | 37,142     |
|                       | \$ | 119,672     | \$ 61,348                           | \$ 58,324  |

**Note 8. Mineral Properties**

|                                  | <b>Balance,<br/>April 30, 2009</b> | <b>Increased in the<br/>nine months ended<br/>January 31, 2010</b> | <b>Balance,<br/>January 31, 2010</b> |
|----------------------------------|------------------------------------|--|--------------------------------------|
| <b>(a) Onaman River</b>          |                                    |  |                                      |
| Acquisition costs                | \$ -                               | \$ -   | \$ -                                 |
| Deferred exploration costs       |                                    |  |                                      |
| - Claims maintenance & staking   | 9,098                              | 564  | <b>9,662</b>                         |
| Total deferred exploration costs | 9,098                              | 564  | <b>9,662</b>                         |
| <b>Total Onaman River</b>        | 9,098                              | 564  | <b>9,662</b>                         |
| <b>(b) Belanger</b>              |                                    |  |                                      |
| Acquisition costs                |                                    |  |                                      |
| - Cash                           | 121,200                            | -  | <b>121,200</b>                       |
| - Shares                         | 620,772                            | -  | <b>620,772</b>                       |
| Total acquisition costs          | 741,972                            | -  | <b>741,972</b>                       |
| Deferred exploration costs       |                                    |  |                                      |
| - Assays                         | 228,658                            | -  | <b>228,658</b>                       |
| - Claims maintenance & staking   | 144,446                            | -  | <b>144,446</b>                       |
| - Consultants                    | 289,377                            | -  | <b>289,377</b>                       |
| - Drilling                       | 3,008,223                          | -  | <b>3,008,223</b>                     |
| - Equipment and rental           | 235,468                            | -  | <b>235,468</b>                       |
| - Field work & mobilization      | 9,784,089                          | -  | <b>9,784,089</b>                     |
| - Geophysical survey             | 2,578,581                          | -  | <b>2,578,581</b>                     |
| - Legal                          | 54,100                             | -  | <b>54,100</b>                        |
| - Field office and general       | 27,883                             | -  | <b>27,883</b>                        |
| - Reports & maps                 | 97,923                             | -  | <b>97,923</b>                        |
| - Site visits                    | 13,023                             | -  | <b>13,023</b>                        |
| - Fuel and fuel storage          | (328,678)                          | -  | <b>(328,678)</b>                     |
| - Salaries and wages             | 484,685                            | -  | <b>484,685</b>                       |
| Total deferred exploration costs | 16,617,778                         | -  | <b>16,617,778</b>                    |
| Mineral exploration credits      | (7,217,959)                        | -  | <b>(7,217,959)</b>                   |
| <b>Total Belanger</b>            | \$ 10,141,791                      | -  | <b>\$ 10,141,791</b>                 |

**GOLDBROOK VENTURES INC.**  
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**January 31, 2010**

Note 8. **Mineral Properties (cont'd)**

|   | Balance,<br>April 30, 2009 | Increased in the<br>nine months ended<br>January 31, 2010 | Balance,<br>January 31, 2010 |
|---|----------------------------|---|------------------------------|
| (c) <b>Nuvilik</b>                      |                            |   |                              |
| Acquisition costs                       |                            |   |                              |
| - Cash                                  | \$ 67,033                  | \$ -  | \$ 67,033                    |
| - Shares                                | 445,848                    | -   | 445,848                      |
| <b>Total acquisition costs</b>          | <b>512,881</b>             | <b>-</b>  | <b>512,881</b>               |
| Deferred exploration costs              |                            |   |                              |
| - Assays & sampling                     | 8,299                      | -   | 8,299                        |
| - Claims maintenance & staking          | 164,958                    | -   | 164,958                      |
| - Consultants                           | 98,859                     | -   | 98,859                       |
| - Drilling                              | 37,141                     | -   | 37,141                       |
| - Equipment & rental                    | 7,593                      | -   | 7,593                        |
| - Field work & mobilization             | 299,723                    | -   | 299,723                      |
| - Geophysical survey                    | 568,992                    | -   | 568,992                      |
| - Legal                                 | 16,606                     | -   | 16,606                       |
| - Field office & general                | 28,541                     | -   | 28,541                       |
| - Reports & maps                        | 8,227                      | -   | 8,227                        |
| - Site visits                           | 8,253                      | -   | 8,253                        |
| - Fuel & fuel storage                   | 37,687                     | -   | 37,687                       |
| - Salaries & wages                      | 43,501                     | -   | 43,501                       |
| <b>Total deferred exploration costs</b> | <b>1,328,380</b>           | <b>-</b>  | <b>1,328,380</b>             |
| Mineral exploration credits             | (484,232)                  | -   | (484,232)                    |
| <b>Total Nuvilik</b>                    | <b>1,357,029</b>           | <b>-</b>  | <b>1,357,029</b>             |
| (d) <b>Ungava</b>                       |                            |   |                              |
| )                                       |                            |   |                              |
| Acquisition costs                       |                            |   |                              |
| - Cash                                  | 134,828                    | -   | 134,828                      |
| - Shares                                | 323,736                    | -   | 323,736                      |
| <b>Total acquisition costs</b>          | <b>458,564</b>             | <b>-</b>  | <b>458,564</b>               |
| Deferred exploration costs              |                            |   |                              |
| - Assays                                | 38,305                     | -   | 38,305                       |
| - Claims maintenance & staking          | 494,731                    | -   | 494,731                      |
| - Consultants                           | 228,990                    | -   | 228,990                      |
| - Drilling                              | 330,479                    | -   | 330,479                      |
| - Equipment & rental                    | 44,428                     | -   | 44,428                       |
| - Fees & licenses                       | 2,096                      | -   | 2,096                        |
| - Field work & mobilization             | 2,211,962                  | -   | 2,211,962                    |
| - Geophysical survey                    | 954,785                    | -   | 954,785                      |
| - Office & general                      | 36,987                     | -   | 36,987                       |
| - Recoveries                            | (55,245)                   | -   | (55,245)                     |
| - Reports, maps, & general              | 28,327                     | -   | 28,327                       |
| - Site visits                           | 12,384                     | -   | 12,384                       |
| - Fuel & fuel storage                   | 135,308                    | -   | 135,308                      |
| - Salaries & wages                      | 164,871                    | -   | 164,871                      |
| <b>Total deferred exploration costs</b> | <b>4,628,408</b>           | <b>-</b>  | <b>4,628,408</b>             |
| Mineral exploration credits             | (1,703,385)                | -   | (1,703,385)                  |
| <b>Total Ungava</b>                     | <b>\$ 3,383,587</b>        | <b>-</b>  | <b>\$ 3,383,587</b>          |

**GOLDBROOK VENTURES INC.**  
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Note 8. **Mineral Properties (cont'd)**

|   | Balance,<br>April 30, 2009 | Increased in the<br>nine months ended<br>January 31, 2010 | Balance,<br>January 31, 2010 |
|---|----------------------------|---|------------------------------|
| <b>(e) Wakeham</b>                      |                            |   |                              |
| Acquisition costs                       |                            |   |                              |
| - Cash                                  | \$ 26,730                  | \$ -  | \$ 26,730                    |
| - Shares                                | 1,797,104                  | -   | 1,797,104                    |
| <b>Total acquisition costs</b>          | <b>1,823,834</b>           | <b>-</b>  | <b>1,823,834</b>             |
| Deferred exploration costs              |                            |   |                              |
| - Assays                                | 35,449                     | -   | 35,449                       |
| - Claims maintenance & staking          | 220,796                    | -   | 220,796                      |
| - Consultants                           | 217,010                    | -   | 217,010                      |
| - Drilling                              | 491,419                    | -   | 491,419                      |
| - Equipment & rental                    | 79,985                     | -   | 79,985                       |
| - Field work & mobilization             | 2,157,980                  | -   | 2,157,980                    |
| - Geophysical survey                    | 842,485                    | -   | 842,485                      |
| - Field office & general                | 45,922                     | -   | 45,922                       |
| - Recoveries                            | (1,885)                    | -   | (1,885)                      |
| - Reports & maps                        | 20,207                     | -   | 20,207                       |
| - Site visits                           | 8,336                      | -   | 8,336                        |
| - Fuel & fuel storage                   | 141,811                    | -   | 141,811                      |
| - Salaries & wages                      | 153,425                    | -   | 153,425                      |
| <b>Total deferred exploration costs</b> | <b>4,412,940</b>           | <b>-</b>  | <b>4,412,940</b>             |
| Mineral exploration credits             | (1,660,115)                | -   | (1,660,115)                  |
| <b>Total Wakeham</b>                    | <b>\$ 4,576,659</b>        | <b>-</b>  | <b>\$ 4,576,659</b>          |
| <b>(f) Masuparia</b>                    |                            |   |                              |
| Acquisition costs                       |                            |   |                              |
| - Shares                                | 1,792,040                  | -   | 1,792,040                    |
| <b>Total acquisition costs</b>          | <b>1,792,040</b>           | <b>-</b>  | <b>1,792,040</b>             |
| Deferred exploration costs              |                            |   |                              |
| - Assays                                | 17,479                     | -   | 17,479                       |
| - Claims maintenance & staking          | 175,480                    | -   | 175,480                      |
| - Consultants                           | 123,873                    | -   | 123,873                      |
| - Drilling                              | 75,252                     | -   | 75,252                       |
| - Equipment & rental                    | 15,384                     | -   | 15,384                       |
| - Field work & mobilization             | 647,430                    | -   | 647,430                      |
| - Geophysical survey                    | 458,702                    | -   | 458,702                      |
| - Field office & general                | 28,685                     | -   | 28,685                       |
| - Recoveries                            | (969)                      | -   | (969)                        |
| - Reports & maps                        | 13,042                     | -   | 13,042                       |
| - Site visits                           | 4,000                      | -   | 4,000                        |
| - Fuel & fuel storage                   | 92,434                     | -   | 92,434                       |
| - Salaries & wages                      | 88,138                     | -   | 88,138                       |
| <b>Total deferred exploration costs</b> | <b>1,738,930</b>           | <b>-</b>  | <b>1,738,930</b>             |
| Mineral exploration credits             | (647,712)                  | -   | (647,712)                    |
| <b>Total Masuparia</b>                  | <b>\$ 2,883,258</b>        | <b>-</b>  | <b>\$ 2,883,258</b>          |

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Note 8. **Mineral Properties (cont'd)**

|  | Balance,<br>April 30, 2009 | Increased in the<br>nine months ended<br>January 31, 2010 | Balance,<br>January 31, 2010 |
|--|----------------------------|---|------------------------------|
| (g) <b>Bravo</b><br>)  |                            |   |                              |
| Acquisition costs  |                            |   |                              |
| - Cash   | \$ 6,000,000               | -   | \$ 6,000,000                 |
| - 5,000,000 shares @ \$0.33, 2,000,000 shares @ \$0.35, and 4,000,000 share purchase warrants @ \$0.35 | 2,350,000                  | -   | 2,350,000                    |
| <b>Total acquisition costs</b>   | <b>8,350,000</b>           | <b>-</b>  | <b>8,350,000</b>             |
| Deferred exploration costs   |                            |   |                              |
| - Assays   | 85,026                     | -   | 85,026                       |
| - Claims & maintenance   | 148,015                    | -   | 148,015                      |
| - Consultants  | 77,938                     | -   | 77,938                       |
| - Drilling   | 890,785                    | -   | 890,785                      |
| - Equipment & rental   | 42,225                     | -   | 42,225                       |
| - Field work & mobilization  | 3,072,447                  | -   | 3,072,447                    |
| - Geophysical survey   | 803,708                    | -   | 803,708                      |
| - Reports & maps   | 31,305                     | -   | 31,305                       |
| - Fuel & fuel storage  | (131,631)                  | -   | (131,631)                    |
| - Salaries & wages   | 183,322                    | -   | 183,322                      |
| Deferred exploration costs   | 5,203,140                  | -   | 5,203,140                    |
| Mineral exploration credits  | (2,279,138)                | -   | (2,279,138)                  |
| <b>Total Bravo</b>   | <b>\$ 11,274,002</b>       | <b>-</b>  | <b>\$ 11,274,002</b>         |
| (h) <b>Raglan Joint Venture Project</b><br>)   |                            |   |                              |
| Deferred exploration costs   |                            |   |                              |
| - Claims and government fees   | 1,402,351                  | 261,197   | 1,663,548                    |
| - Camp management and logistics  | 1,938,752                  | 1,914,493   | 3,853,245                    |
| - Contractor support services  | 13,373                     | 203,782   | 217,155                      |
| - Drilling   | 1,815,344                  | 2,195,563   | 4,010,907                    |
| - Equipment, supplies, and consumable  | 43,219                     | 1,086,046   | 1,129,265                    |
| - Fuel and fuel storage  | 1,076,790                  | 404,469   | 1,481,259                    |
| - General administration   | 52,906                     | 41,738  | 94,644                       |
| - General transport and shipping   | 15,693                     | 40,917  | 56,610                       |
| - Geochemistry and research analysis   | 256,899                    | 168,667   | 425,566                      |
| - Geophysics and remote sensing  | 4,440,907                  | 1,856,458   | 6,297,365                    |
| - Permitting and community relations   | 91,756                     | 85,192  | 176,948                      |
| - Professional services  | 515,128                    | 230,711   | 745,839                      |
| - Project air support  | 1,905                      | 3,048,247   | 3,050,152                    |
| - Project travel   | 97,993                     | 80,687  | 178,680                      |
| - Salaries & benefits  | 976,883                    | 1,019,901   | 1,996,784                    |
| Deferred exploration costs   | 12,739,899                 | 12,638,068  | 25,377,967                   |
| <b>Total Raglan Joint Venture Project</b>  | <b>12,739,899</b>          | <b>12,638,068</b>   | <b>25,377,967</b>            |
| <b>Payment from joint venture partner</b>  | <b>(12,739,899)</b>        | <b>(12,638,068)</b>                                       | <b>(25,377,967)</b>          |
| <b>Total Mineral Properties</b>  | <b>33,625,424</b>          | <b>564</b>  | <b>33,625,988</b>            |

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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Note 8. **Mineral Properties (cont'd)**

(a) **Onaman River Property**

For the year ended April 30, 2002, these mining leases and patents claims were carried at a nominal value of \$1.00 and represented a 80% interest in the Onaman River Property, Onaman Lake Township, Ontario, subject to 30% net profits royalties on one group and a 10% net profits royalties on the balance of leased claims. The Company wrote-off the nominal value of \$1.00 in the year ended April 30, 2003. Fifteen leases had expired in 2006 and ten more leases in 2007. The Company is working in conjunction with a third party and the Ontario government to return these leases and patents to be in good standing. There are seven patents and eight lease claims which are in good standing. During the nine months ended January 31, 2010, the Company paid claim renewal fees to Ontario government to keep the lease claims in good standing.

(b) – (h) **Raglan Area Properties – District of Northern Quebec**

The Company is holding six property blocks in Raglan area as follows:

|           | Claims | Acres   |
|-----------|--------|---------|
| Belanger  | 1,056  | 107,400 |
| Nuvulik   | 1,402  | 142,433 |
| Masuparia | 983    | 99,677  |
| Wakeham   | 1,817  | 182,835 |
| Ungava    | 1,801  | 181,310 |
| Bravo     | 1,799  | 177,674 |

The Company holds 100% interest in all these claims except for the claims located within the Bravo block.

Belanger block is located in the west region of Raglan exploration area. These claims are within 60km southwest of Raglan Mine.

Nuvulik block is north to Belanger block, about 40km due west of the Raglan Mine.

Masuparia block is less than 10 km due south of Raglan Mine.

Wakeham block is in the east region of Raglan exploration area. These claims are 20km of the Raglan Mine.

Ungava block is located south of the Wakeham block. These claims are within 30 km of the Raglan Mine.

Bravo block is located between Masuparia, Nuvulik, and Belanger block.

**GOLDBROOK VENTURES INC.**  
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Note 8. **Mineral Properties (cont'd)**

**(b) – (h) Raglan Area Properties – District of Northern Quebec (cont'd)**

On August 29, 2008, the Company announced that it had entered into a definitive option and joint venture agreement (the “Agreement”) with Jilin Jien Nickel Industry Co. Ltd. of Panshi, Jilin China (“Jien”) for the exploration and development of the Company’s Raglan District Properties (the “Property”) comprising some 891,000 acres in northern Quebec. Pursuant to the Agreement:

- Jien may earn a 50% interest in the Property by providing funding of \$45 million over three years for exploration on the property (plus any funds rebated by the government for expenditures during the first two years), with a minimum expenditure in the first year of \$12.5 million, a minimum of \$15 million in the second year plus any rebates for expenditures in the first year and a minimum expenditure in the third year of \$17.5 million plus any rebates for expenditures in the second year.
- Upon Jien acquiring a 50% interest, any government rebate from exploration expenditures in the third year will be applied to a fourth year work program and other costs will be funded 50% by Jien and 50% by the Company.
- Jien may earn an additional 10% interest by funding and completing a pre-feasibility study.
- Jien may earn an additional 10% interest by funding and completing a bankable feasibility study.
- Jien may earn an additional 5% interest by providing the Company its share of financing for development on commercial terms in which case the Company will repay its share of the debt from a portion of the net cash flow from production.

As at January 31, 2010, Jien has provided funding of \$27.5 million to the Company, \$12.5 million of which was for the expenditures of the first year, and \$15 million of which is part of the funding for the second year.

The Company has retained PI Financial Corp. (“PI”) as its financial advisor in connection with the Jien transaction and, as consideration for such services, has paid \$100,000 to PI. 7,997,726 common shares of the Company have been issued and a \$680,000 finder’s fee has been paid to a third party in connection with the Agreement and in accordance with the policies of the TSX Venture Exchange.

In July 2009, the Company’s commenced its 2009 nickel-copper PGE sulphide exploration program in the Raglan Belt, northern Quebec.

**GOLDBROOK VENTURES INC.**  
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**Note 8. Mineral Properties (cont'd)**

**(i) Mineral Exploration Credits**

As a result of the Company incurring exploration expenditures on its Quebec mineral properties, the Company has an accumulated Quebec corporate tax credits and Quebec mining duties credits of \$13,992,541; of which, \$6,204 Quebec mining duties credits have not been received as at January 31, 2010 and have been included in accounts receivable (Note 4). Also include in accounts receivable (Note 4) are \$4,320,888 Quebec corporate tax credits and Quebec mining duties credits that have been claimed by Jien (Note 8(b)-(h)) and will be used in next year's Raglan project exploration.

**Note 9. Take-over Bid And Investment In Associates**

On August 7, 2009, the Company announced that it had entered into a shareholder, joint bid, and operating agreement with Jilin Jien Nickel Industry Co. Ltd. (Jilin Jien), and its wholly-owned subsidiary Jien International Investment Ltd. (JJ Holdco), to make an all-cash take-over bid for Canadian Royalties Inc. ("Canadian Royalties") to acquire all of its outstanding common shares (the "Shares") at a price of Cdn\$0.60 in cash per share and all of the outstanding 7% convertible senior unsecured debentures due March 31, 2015 (the "Debentures") at a price of Cdn\$600 per Cdn\$1,000 principal amount of debentures, plus accrued and unpaid interest up to, but excluding, the date the debentures are taken up under the take-over bid. Total cash consideration of approximately Cdn\$148.5 million will be offered (including accrued interest on the Debentures). The offer is subject to customary conditions including that a minimum of 66.66% of the outstanding shares on a fully diluted basis and 66.66% of the outstanding aggregate principal amount of debentures are tendered to the offer, receipt of all required regulatory approvals.

The offer for the shares and the debentures are being made by Jien Canada Mining Ltd. ("Jien Canada"), a company jointly owned by the Company (25%) and JJ Holdco (75%). Jien Canada will be responsible subsequently for managing its operations. A representative of Jilin Jien and a representative of the Company have been appointed as managers of the offers and they are responsible for all matters relating to the offers, subject to unanimous approvals of the board of directors. The Directors shall be responsible for the management, direction and control of the operations. Their number shall initially be five and shall be comprised of three nominees of JJ Holdco and two nominees of the Company.

Jilien Jien has deposited an initial contribution which JJ Holdco will use to finance the offers and the related expenses. Thereafter, JJ Holdco is responsible for providing 100% of the funding for the operations.

The Company has agreed to pay success fees to a financial agent upon the successful completion of the offers and any subsequent acquisition transaction to acquire 100% of the shares and debentures.

JJ Holdco is responsible for providing 100% of the funding required for the offeror's operations; however, JJ Holdco may arrange for the offeror to obtain such funding amounts directly from third party lenders.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 9. Take-over Bid And Investment In Associates (cont'd)**

With several amendments and extensions to the Officers, on January 13, 2010, Industry Canada issued a Certificate of Arrangement (the "Arrangement") to Canadian Royalties in connection with the plan of arrangement between Canadian Royalties and Jien Canada. Accordingly, the Arrangement between the parties was complete. Under the Agreement, Jien Canada acquired all of the outstanding common shares of Canadian royalties in exchange for \$0.80 per shares. As a result of the Arrangement, Jien Canada now owns 100% of the outstanding shares of Canadian Royalties. The Company owns 25% of the voting shares of Jien Canada.

Also as a result of the acquisition, the outstanding 7% convertible senior unsecured debentures due March 31, 2015 of Canadian Royalties were delisted from the Toronto Stock Exchange on December 29, 2009. The common shares of Canadian Royalties were delisted from the Toronto Stock Exchange on January 15, 2010.

On November 25, 2009, the Company tendered the 4,750,000 Canadian Royalties shares held as "available-for-sale" securities to Jien Canada as its investment in Jien Canada. The fair market value of those shares was \$3,752,500 (based on the closing price of November 25, 2009 on TSX at \$0.79 per share) which has been recorded as "Investment in Associates" as non-current assets on Balance Sheet. By using the equity method, the Company will include 25% of the net income or net loss of Jien Canada (consolidated with Canadian Royalties) in the Company's financial statements by adjusting the carrying value of "Investment in Associates" at the balance sheet and by adjusting its net income or net loss.

As of January 31, 2010 and as of the date of this financial statement, the pre-acquisition financial statements of Canadian Royalties are under audit. The Jien Canada's financial statements and the financial statements for Canadian Royalties for the period from January 13, 2010 (the date of completion of Arrangement) to January 31, 2010 are not available until a later date, while both Canadian Royalties and Jien Canada were relatively inactive during this transition period. The Company will start to include its share of the associate's net income or net loss in its financial statements from next quarter.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

**Note 10. Capital Stock**

(a) **Authorized: unlimited common shares and unlimited preference shares**

(b) **Issued and outstanding:**

|  | For the nine months ended<br>January 31, 2010 |                      | For the year ended<br>April 30, 2009 |               |
|--|---|----------------------|--------------------------------------|---------------|
|  | Number of<br>Common<br>Shares                 | \$                   | Number of<br>Common<br>Shares        | \$            |
| <b>Balance, April 30, 2009 and 2008</b>                | <b>178,171,699</b>                            | <b>\$ 43,576,144</b> | 148,289,700                          | \$ 41,081,214 |
| <u>Common shares issued for cash</u>                   |   |                      |                                      |               |
| - Private Placement @ \$0.125                          |   |                      | 21,887,000                           | 2,735,875     |
| - Stock option exercised @ \$0.21                      | <b>300,000</b>                                | <b>63,000</b>        |                                      |               |
| - Stock option exercised @ \$0.125                     | <b>625,000</b>                                | <b>78,125</b>        |                                      |               |
| - Stock option exercised @ \$0.225                     | <b>100,000</b>                                | <b>22,500</b>        |                                      |               |
| - Stock option exercised @ \$0.36                      | <b>100,000</b>                                | <b>36,000</b>        |                                      |               |
| - Warrants exercised @ \$0.30                          | <b>535,200</b>                                | <b>160,560</b>       |                                      |               |
| - Commissions & legal fees                             |   |                      |                                      | (11,875)      |
| - Commissions taken in shares                          |   |                      | 1,020,000                            |               |
| <u>Common shares issued as finder's fee</u>            | <b>1,308,441</b>                              | -                    | 6,974,999                            | -             |
| <u>Valuation adjustments of warrants &amp; options</u> |   |                      |                                      |               |
| Black-Scholes valuation on warrants granted            |   |                      |                                      | (229,070)     |
| Reverse Black-Scholes valuation on warrants exercised  |   | <b>69,576</b>        |                                      |               |
| Reverse Black-Scholes valuation on options exercised   |   | <b>136,000</b>       |                                      |               |
| Subtotal   | <b>2,968,641</b>                              | <b>565,761</b>       | 29,881,999                           | 2,494,930     |
| <b>Balance January 31, 2010 and April 30, 2009</b>     | <b>181,140,340</b>                            | <b>\$ 44,141,905</b> | 178,171,699                          | \$ 43,576,144 |

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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**Note 10. Capital Stock (cont'd)**

**(c) Private Placement and Other Issuance of Common Shares**

On June 18, 2008, the Company closed its non-brokered private placement by issuing 21,887,000 units at a price of \$0.125 per unit for gross proceeds of \$2,735,875. Each unit consists of: (a) one common share; and (b) one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from the closing at an exercise price of \$0.25.

A finder's fee of \$11,875 and 1,020,000 units were paid in connection with a portion of the private placement. All of the securities issued pursuant to the private placement are subject to a hold period expiring four months and one day from the closing date.

The Company issued 6,974,999 common shares during the year ended April 30, 2009 and 1,308,441 common shares during the nine months ended January 31, 2010 to a third party as part of the finder's fee in connection with the option and joint venture agreement on Raglan area properties (Note 8(b) – 8(h)).

**(d) Shareholder Rights Plan**

On November 17, 2005, the Board of Directors of the Company proposed a shareholder right plan (the "Plan"). The Plan was approved by the shareholders of the Company at the Annual General Meeting held on December 22, 2005.

Under the Plan, the Company has issued one right for no consideration in respect of each outstanding common share of the Company to all holders of record on November 17, 2005. All common shares issued by the Company during the term of the Plan will have one right represented by the certificates representing the common shares of the Company. The term of the Plan is three years, subject to re-approval by the shareholders of the Company at their 2008 Annual Meeting. At the recent Annual General Meeting held on November 18, 2008, the Plan was ratified and extended.

The Plan is intended to provide the Board of Directors with adequate time to consider value enhancing alternatives to a take-over bid and allow competing bids to emerge, and to provide the shareholders of the Company adequate time to properly assess a take-over bid without undue pressure. The Plan is also intended to ensure that the shareholders of the Company are provided equal treatment under a takeover bid. The Company is not currently aware of any pending or threatened take-over bid for the Company.

The Rights issued under the Plan become exercisable only if a person acquires 20% or more of the common shares of the Company without complying with the "permitted bid" provisions in the Plan or without the approval of the Board of Directors of the Company. Should such an acquisition occur, rights holders (other than the acquiring person or related persons) can purchase common shares of the Company at half the prevailing market price (as defined in the Plan) at the time the Rights become exercisable. Each Right, upon exercise, would permit the purchase of shares of the Company at a substantial discount to the market price.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**January 31, 2010**

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**Note 10. Capital Stock (cont'd)**

**(d) Shareholder Rights Plan (cont'd)**

“Permitted bids” under the Plan must be made to all shareholders for all shares of the Company, and must be open for acceptance for a minimum of 60 days. If at least 50% of the outstanding shares have been tendered and not withdrawn after 60 days, if at least 50% of the outstanding shares have been tendered and not withdrawn after 60 days, the bidder may take up the shares, but must make a public announcement of that take-up and extend the bid for a further 10 days to allow other shareholders to tender to the bid.

**(e) Stock Options – Common Shares**

The Company, in accordance with a Stock Option Plan approved by shareholders and accepted by the TSX Venture Exchange, is authorized to grant options to directors, officers and employees to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Company’s stock on the date of grant.

On July 18, 2008, the Company announced that pursuant to the company’s stock option plan, an aggregate of 5,000,000 incentive stock options had been granted to certain directors, officers, employees and consultants. The options have an exercise price of \$0.125 with a five year term.

During the year ended April 30, 2009, 1,090,000 stock options were cancelled and 982,000 stock options expired.

During the nine months ended January 31, 2010, 1,125,000 stock options were exercised and 1,438,000 stock options expired without exercise.

A summary of the Company’s outstanding stock options as of January 31, 2010 and the changes during the period are presented below:

|  | <u>Number of Shares<br/>Under Stock Options</u> | <u>Weighted Average<br/>Exercise Price Per Share</u> |
|--|---|--|
| <b>Balance Outstanding, April 30, 2009</b>   | 15,779,000                                      | \$ 0.213   |
| Exercised                                    | (300,000)                                       | 0.21   |
| Exercised                                    | (625,000)                                       | 0.125  |
| Exercised                                    | (100,000)                                       | 0.225  |
| Exercised                                    | (100,000)                                       | 0.36   |
| Expired                                      | (1,438,000)                                     | 0.225  |
| Expired                                      | (500,000)                                       | 0.26   |
| <b>Balance Outstanding, January 31, 2010</b> | <b><u>12,716,000</u></b>                        |  |

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note10. Capital Stock (cont'd)**

**(e) Stock Options – Common Shares (cont'd)**

Incentive stock options outstanding at January 31, 2010 to directors, officers and employees are as follows:

| Number of options<br>Outstanding and exercisable | Expiry date       | Exercise price |
|--|-------------------|----------------|
| 328,000  | February 22, 2010 | \$ 0.225       |
| 250,000  | January 10, 2011  | \$ 0.225       |
| 670,000  | March 3, 2011     | \$ 0.230       |
| 2,593,000  | June 27, 2012     | \$ 0.360       |
| 4,500,000  | January 13, 2013  | \$ 0.210       |
| 4,375,000  | July 17, 2013     | \$ 0.125       |
| 12,716,000                                       |                   |                |

The fair value of the 5,000,000 stock options granted on July 18, 2008 are estimated on the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

|                          |         |
|--------------------------|---------|
| Dividend Yield           | Nil     |
| Expected volatility      | 103%    |
| Risk free rate of return | 5.5%    |
| Expected life of options | 5 years |

The weighted average fair value of the 5,000,000 options granted on July 18, 2008 was \$0.08 per option granted. Those stock options resulted in a stock-based compensation of \$400,000 which is expensed during the year ended April 30, 2009.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 10. Capital Stock (cont'd)**

**(f) Share Purchase Warrants – Common Shares**

|  | <u>Warrants</u>   | <u>Expiry Date</u> | <u>Exercise Price</u> |
|--|-------------------|--------------------|-----------------------|
|  | 8,372,300         | Oct. 27, 2010      | \$0.30                |
|  | 9,196,613         | Oct. 4, 2009       | \$0.45                |
|  | 9,196,612         | Oct. 4, 2009       | \$1.00                |
|  | 17,552,517        | June 7, 2010       | \$0.50                |
|  | 17,552,517        | June 7, 2010       | \$1.00                |
|  | 1,669,300         | June 7, 2009       | \$0.50                |
|  | 1,782,003         | June 7, 2010       | \$0.50                |
|  | 2,081,395         | September 4, 2010  | \$0.50                |
|  | 35,800            | September 6, 2010  | \$0.50                |
|  | 35,800            | September 6, 2010  | \$1.00                |
|  | 416,279           | September 6, 2009  | \$0.50                |
|  | 6,275,679         | September 27, 2010 | \$0.50                |
|  | 6,275,678         | September 27, 2010 | \$1.00                |
|  | 1,255,135         | September 27, 2009 | \$0.50                |
|  | 2,715,000         | October 21, 2010   | \$0.50                |
|  | 608,000           | November 18, 2009  | \$0.50                |
|  | 377,288           | November 18, 2010  | \$0.50                |
|  | 2,000,000         | June 19, 2012      | \$0.35                |
|  | 2,000,000         | August 16, 2012    | \$0.35                |
|  | 22,907,000        | June 17, 2009      | \$0.25                |
| <b>Balance Outstanding, April 30, 2009</b>   | 112,304,916       |                    |                       |
| Expired                                      | (1,669,300)       | June 7, 2009       | \$0.50                |
| Expired                                      | (22,907,000)      | June 17, 2009      | \$0.25                |
| Expired                                      | (416,279)         | September 6, 2009  | \$0.50                |
| Expired                                      | (1,255,135)       | September 27, 2009 | \$0.50                |
| Expired                                      | (9,196,613)       | Oct. 4, 2009       | \$0.45                |
| Expired                                      | (9,196,612)       | Oct. 4, 2009       | \$1.00                |
| Expired                                      | (608,000)         | November 18, 2009  | \$0.50                |
| Exercised                                    | (535,200)         | Oct. 27, 2010      | \$0.30                |
| <b>Balance Outstanding, January 31, 2010</b> | <b>66,520,777</b> |                    |                       |

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 10. Capital Stock (cont'd)**

**(g) Share Reserved – Common Shares**

|                         | <b>Number of shares</b>  |                       |
|-------------------------|--------------------------|-----------------------|
|                         | <b>January 31, 2010</b>  | <b>April 30, 2009</b> |
| Stock options           | <b>12,716,000</b>        | 15,779,000            |
| Share Purchase Warrants | <b>66,520,777</b>        | 112,304,916           |
| Total                   | <b><u>79,236,777</u></b> | <u>128,083,916</u>    |

**Note 11. Accumulated Other Comprehensive Income (Loss )**

Pursuant to the new financial instrument standards (CICA Section 3855 and Section 1530), the Company classifies its marketable securities as “available for sale” and records the marketable securities at their fair values (Note 5). The change of unrealized gain or loss of the marketable securities is recorded as unrealized gain or loss. An adjustment in the amount of \$6,973 to the opening accumulated other comprehensive income was made at May 1, 2007 to bring the opening value of marketable securities from lower of cost and market to market value. The accumulated other comprehensive loss during the nine months ended January 31, 2010 and the year ended April 30, 2009 includes:

|   | <b>January 31, 2010</b>   | <b>April 30, 2009</b> |
|---|---------------------------|-----------------------|
| Balance, beginning of period                                | <b>\$ (257,037)</b>       | \$ (168,772)          |
| Reverse loss realized from selling of marketable securities | <b>227,037</b>            | 150,772               |
| Unrealized income (loss) from marketable securities         | <b>750</b>                | (239,037)             |
| Balance, end of period                                      | <b><u>\$ (29,250)</u></b> | <u>\$ (257,037)</u>   |

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 12. Related Party Transactions**

The Company retains the services of certain directors and officers of the Company, or by companies controlled by directors, officers, and related parties. Fees are paid for these services on a month-by-month basis without formal agreements.

There is no amount due to related parties included in accounts payable and accrued liabilities at January 31, 2010 (January 31, 2009 - \$Nil).

During the nine months ended January 31, 2010 and 2009, the Company was charged the following amounts by directors and officers of the Company and their immediate family, or by companies controlled by directors, officers, and related parties:

|                               | <u>Nine months ended January 31,</u> |                   |
|-------------------------------|--------------------------------------|-------------------|
|                               | <u>2010</u>                          | <u>2009</u>       |
| Consulting fees               |                                      |                   |
| - Financial                   | \$ 100,500                           | \$ 25,000         |
| - Marketing                   | 53,100                               | 43,500            |
| - Shareholders' communication | 74,500                               | 50,000            |
| Equipment rental              | 67,226                               | 64,423            |
| Management fees               | 717,500                              | 248,500           |
| Professional fees             | 82,500                               | 66,575            |
| Rent                          | 54,000                               | 12,000            |
| Salaries                      | 347,250                              | 96,900            |
| Website fees                  | 39,525                               | 27,475            |
| Deferred exploration costs    | 84,750                               | 96,900            |
| Total                         | <u>\$ 1,620,851</u>                  | <u>\$ 731,273</u> |

As at January 31, 2010, accounts receivable include miscellaneous expenses paid on behalf of a company with common directors and management in the amount of \$Nil (2009: \$12,493).

All transactions with related parties were concluded in the normal course of operation at the exchange amount which is the amount established and accepted by the parties.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 13. Loss per Common Share**

|                                   | <b>Nine months ended January 31, 2010</b>                 |                                      |
|-----------------------------------|---|--------------------------------------|
|                                   | <b>Weighted Average<br/>Common Shares<br/>Outstanding</b> | <b>Loss Per<br/>Common<br/>Share</b> |
| Basic                             | 179,344,252   | <u>\$0.002</u>                       |
| Effect of stock options           | 5,811,018   |                                      |
| Effect of stock purchase warrants | 82,862,084  |                                      |
| Diluted                           | 268,017,354   | <u>\$0.002</u>                       |
| Anti Dilutive                     | 179,344,252   |                                      |

The diluted loss per common share does not increase above the basic loss per common share, due to anti-dilutive factors.

**Note 14. Contributed Surplus**

Stock Based Compensation

|                                  | <b>Nine months ended January 31,</b> |              |
|----------------------------------|--------------------------------------|--------------|
|                                  | <b>2010</b>                          | <b>2009</b>  |
| Balance, Beginning of the period | \$ 3,611,371                         | \$ 3,211,371 |
| Stock-based compensation         | -                                    | 400,000      |
| Balance, End of the period       | \$ 3,611,371                         | \$ 3,611,371 |

**Note 15. General and Administrative Expenses**

|                             | <b>Nine months ended January 31,</b> |             |
|-----------------------------|--------------------------------------|-------------|
|                             | <b>2010</b>                          | <b>2009</b> |
| <u>Consulting fees</u>      |                                      |             |
| Financial                   | \$ 70,500                            | \$ 190,287  |
| Shareholders' communication | 96,100                               | 57,875      |
| Corporate administration    | 438,000                              | 169,300     |
| Marketing                   | 90,100                               | 73,242      |
|                             | \$ 694,700                           | \$ 490,704  |

**GOLDBROOK VENTURES INC.**  
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**Note 15. General and Administrative Expenses (cont'd)**

| <u>Office and general expenses</u> | <b>Nine months ended January 31,</b> |                   |
|------------------------------------|--------------------------------------|-------------------|
|                                    | <b>2010</b>                          | <b>2009</b>       |
| Bank charges                       | \$ 1,581                             | \$ 9,890          |
| Insurance                          | 35,000                               | 17,278            |
| Services                           | 90,102                               | 21,254            |
| Supplies                           | 15,279                               | 10,813            |
| Postage and couriers               | 3,282                                | 4,345             |
| Rent and telephone                 | 249,365                              | 156,881           |
| Equipment rental                   | 67,226                               | 67,415            |
| Travel                             | -                                    | 10,713            |
| Other                              | 20,892                               | 16,268            |
|                                    | <b>\$ 482,727</b>                    | <b>\$ 314,857</b> |

  

| <u>Professional fees</u>  | <b>Nine months ended January 31,</b> |                   |
|---------------------------|--------------------------------------|-------------------|
|                           | <b>2010</b>                          | <b>2009</b>       |
| Accounting and audit fees | \$ 144,307                           | \$ 139,511        |
| Legal fees (recovery)     | (77,489)                             | 109,047           |
|                           | <b>\$ 66,818</b>                     | <b>\$ 248,558</b> |

  

| <u>Shareholder communication, travel and promotion</u> | <b>Nine months ended January 31,</b> |                   |
|--|--------------------------------------|-------------------|
|  | <b>2010</b>                          | <b>2009</b>       |
| Advertising & promotion                                | \$ 17,484                            | \$ 7,070          |
| Communications   | 2,500                                | 2,500             |
| Conferences & shows                                    | 86,741                               | 19,759            |
| Mail-out a& couriers                                   | 9,403                                | 9,644             |
| Press releases   | 24,712                               | 14,143            |
| Printing   | 14,753                               | 12,846            |
| Telephone, internet, website                           | 116,257                              | 103,553           |
| Travel & entertainment                                 | 51,451                               | 132,448           |
| Other  | -                                    | 695               |
|  | <b>\$ 323,301</b>                    | <b>\$ 302,658</b> |

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 16. Other Income**

During the nine months ended January 31, 2010, the Company recognized \$13,014 other income as a result of administrating the Raglan 2009 exploration project on behalf of Resolve Ventures Inc., a company with common directors and management.

**Note 17. Subsequent Events**

- In February and March 2010, 328,000 incentive stock options with an exercise price at \$0.225 per share and 250,000 incentive stock options with an exercise price at \$0.125 per share were exercised.
- In February 2010, 16,100 stock purchase warrants with an exercise price at \$0.30 per share were exercised.
- In March 2010, the Company subsequently received 6,500,000 from Jilin Jien Nickel Industry Co. Ltd. as the initial funding for the Raglan exploration project 2010 season (Note 8).