

GOLDBROOK VENTURES INC.
INTERIM FINANCIAL STATEMENTS

January 31, 2011

(Unaudited)

NOTICE TO READER

INTERIM BALANCE SHEET

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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, 2011.

NOTICE TO READER

The interim balance sheet as at January 31, 2011 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

David Baker, Director
March 31, 2011

/s/ Earl Terris

Earl Terris, Director
March 31, 2011

**GOLDBROOK VENTURES INC.
INTERIM BALANCE SHEET**

	<u>January 31, 2011</u>	<u>April 30, 2010</u> <i>(Audited)</i>
ASSETS		
Current Assets		
Cash	\$ 1,948,497	\$ 4,644,286
Cash for exploration	-	9,406,238
Accounts receivable (Note 4)	3,132,410	10,583,050
Prepaid expenses	229,084	64,325
Inventory (Note 6)	1,347,000	1,148,664
Total Current Assets	<u>6,656,991</u>	<u>25,846,563</u>
Marketable Securities (Note 5)	<u>3,900</u>	<u>3,450</u>
Deposits on Mineral Properties	<u>-</u>	<u>181,273</u>
Investment in Company Subject To Significant Influence (Note 9)	<u>3,670,746</u>	<u>2,544,660</u>
Mineral Properties (Note 8)	<u>33,651,854</u>	<u>33,651,831</u>
Property and Equipment, net (Note 7)	<u>57,359</u>	<u>70,370</u>
TOTAL ASSETS	<u>\$ 44,040,850</u>	<u>\$ 62,298,147</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 136,287	\$ 842,206
Deferred exploration contribution	\$ 7,794,860	\$ 23,825,864
	<u>7,931,147</u>	<u>24,668,070</u>
Shareholders' Equity		
Authorized: unlimited common shares and unlimited preferred shares		
Issued – 183,653,171 common shares		
(April 30, 2010 – 182,654,041 common shares) (Note 10(b))	45,575,440	45,340,032
Common share purchase warrants outstanding (Note 10(f))	10,689,400	10,689,400
Contributed surplus (Note 14)	4,378,201	4,412,051
Accumulated other comprehensive loss (Note 11)	(29,100)	(29,550)
	<u>60,613,941</u>	<u>60,411,933</u>
Deficit, accumulated during the development stage	(24,504,238)	(22,781,856)
Total Shareholders' Equity	<u>36,109,703</u>	<u>37,630,077</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 44,040,850</u>	<u>\$ 62,298,147</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 INCOME AND LOSS AND COMPREHENSIVE LOSS

	3 Months 31-Jan-11	3 Months 31-Jan-10	9 Months 31-Jan-11	9 Months 31-Jan-10
	-	-	-	-
GENERAL & ADMINISTRATIVE EXPENSES				
Depreciation on property and equipment	\$ 4,337	\$ 5,320	\$ 13,011	\$ 13,010
Consulting fees (Note 15)	137,650	478,400	434,186	694,700
Financing costs (Note 8)	-	-	220,108	-
Management fees	228,199	575,000	525,649	717,500
Office and general expenses (Note 15)	201,495	244,688	465,847	482,727
Professional fees (Note 15)	371,821	54,574	564,337	66,818
Regulatory fees & services	7,043	9,754	17,206	17,750
Shareholders' communication, travel & promotion (Note 15)	133,085	197,467	370,644	323,301
Wages and benefits	119,392	387,841	237,530	522,143
Total General and Administration Expenses	<u>(1,203,022)</u>	<u>(1,953,044)</u>	<u>(2,848,518)</u>	<u>(2,837,949)</u>
LOSS BEFORE OTHER ITEMS	(1,203,022)	(1,953,044)	(2,848,518)	(2,837,949)
OTHER ITEMS				
Interest income	-	-	50	-
Other income	-	13,014	-	13,014
Gain from sale of investments	-	2,480,463	-	2,480,463
Share of income of company subject to significant influence (Note 9)	277,364	-	1,126,086	-
NET INCOME (LOSS) BEFORE COMPREHENSIVE INCOME (LOSS)	<u>(925,658)</u>	<u>540,433</u>	<u>(1,722,382)</u>	<u>(344,472)</u>
OTHER COMPREHENSIVE GAIN (LOSS)				
Unrealized gain (loss) from marketable securities	1,800	(1,958,263)	450	227,787
COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(923,858)</u></u>	<u><u>(1,417,830)</u></u>	<u><u>(1,721,932)</u></u>	<u><u>(116,685)</u></u>

The accompanying notes are an integral part of these financial statements

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

	<u>3 Months</u> <u>31-Jan-11</u>	3 Months <u>31-Jan-10</u>	<u>9 Months</u> <u>31-Jan-11</u>	9 Months <u>31-Jan-10</u>
DEFICIT, BEGINNING OF PERIOD AS PREVIOUSLY STATED	\$(23,578,580)	\$(18,186,140)	\$ (22,781,856)	\$ (17,301,235)
PRIOR PERIOD'S RESTATEMENT (Note 3)	-	(1,055,334)	-	(1,055,334)
DEFICIT, BEGINNING OF PERIOD AS RESTATED	(23,578,580)	(19,241,474)	(22,781,856)	(18,356,569)
NET INCOME (LOSS) FOR THE PERIOD	(925,658)	540,433	(1,722,382)	(344,472)
DEFICIT, END OF PERIOD	\$ (24,504,238)	\$ (18,701,041)	\$ (24,504,238)	\$ (18,701,041)
Weighted Average Common Shares Outstanding (Note 13)				
- Basic and diluted			183,165,770	179,344,252
LOSS PER COMMON SHARE				
- Basic			\$ (0.009)	\$ (0.002)
- Diluted			\$ (0.009)	\$ (0.002)

The accompanying notes are an integral part of these financial statements

GOLDBROOK VENTURES INC.
INTERIM STATEMENT OF CASH FLOWS

	3 Months 31-Jan-11	3 Months 31-Jan-10	9 Months 31-Jan-11	9 Months 31-Jan-10
FUNDS DERIVED FROM (Applied to)				
Operating Activities				
Comprehensive loss for period	\$(923,858)	\$(1,417,830)	\$(1,721,932)	\$(116,685)
Items not involving cash				
Depreciation on property and equipment	4,337	5,320	13,011	13,010
Gain from sale of investments		(2,480,463)		(2,480,463)
Financing costs by issuing common shares	-	-	107,608	-
Share of income from subsidiary	(277,364)	-	(1,126,086)	-
Other comprehensive (gain) loss	(1,800)	1,958,263	(450)	(227,787)
	(1,198,685)	(1,934,710)	(2,727,849)	(2,811,925)
Changes in non-cash working capital balances				
(Increase) Decrease in accounts receivable	467,234	383,391	7,450,640	1,263,995
(Increase) Decrease in prepaid expenses	(150,577)	(9,060)	(164,759)	(15,728)
(Increase) Decrease in inventory	-	-	(198,336)	404,469
Increase (Decrease) in accounts payable	(1,570,183)	(2,107,503)	(705,919)	(87,779)
	(2,452,211)	(3,667,882)	3,653,777	(1,246,968)
Investing Activities				
Deposits for mining camp services	50,000	1,232,500	181,273	-
Deferred acquisition & exploration costs	(23)	(30)	(23)	(564)
Disposal of investments in public company shares	-	3,752,500	-	3,752,500
Acquisition of investments in public company shares	-	(3,752,500)	-	(3,752,500)
Purchase of capital assets	-	(29,496)	-	(30,375)
	49,977	1,202,974	181,250	(30,939)
Financing Activities				
Common shares issued	37,500	318,185	93,950	360,185
Deferred exploration contribution	(1,811,727)	(403,576)	(16,031,004)	(6,657,551)
	(1,774,227)	(85,391)	(15,937,054)	(6,297,366)
Cash, Decrease During Period	(4,176,461)	(2,550,299)	(12,102,027)	(7,575,273)
CASH, BEGINNING OF PERIOD				
Cash	4,370,035	6,149,227	4,644,286	5,204,353
Cash for exploration	1,754,923	59,853	9,406,238	6,029,701
Total cash, beginning of period	6,124,958	6,209,080	14,050,524	11,234,054
CASH, END OF PERIOD				
Cash	1,948,497	3,658,781	1,948,497	3,658,781
Cash for exploration	-	-	-	-
Total cash, beginning of period	1,948,497	3,658,781	1,948,497	3,658,781

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

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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 \$24,504,238, 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, 2011

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 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, 2011

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

(d) Financial Instruments (cont'd)

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

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.

Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company's currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended January 31, 2011. The Company is not subject to externally imposed capital requirements.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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

(d) Financial Instruments (cont'd)

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

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.

In January 2009, the Emerging Issues Committee issued EIC-173, “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities” (“EIC-173”). The Committee concluded that an entity’s credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities.

As a result of adopting EIC-173 as at January 1, 2009, the Company quantified the impact of credit risk when calculating the fair value of financial assets and liabilities. The Application of the EIC did not have an effect on the Company’s financial statements.

During 2009, CICA Handbook Section 3862, Financial Instruments – Disclosures (“Section 3862”), was amended to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurements. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3: Inputs that are not based on observable market data.

As at January 31, 2011, the Company’s financial instruments consisted of cash, accounts receivable, marketable securities, accounts payable, accrued liabilities, and deferred exploration contribution. With respect to all of these financial instruments, the Company estimates that the fair value of these financial instruments approximates the carrying values as at January 31, 2011.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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

(d) Financial Instruments (cont'd)

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

Sensitivity Analysis

As of January 31, 2011, both the carrying and fair value amounts of the Company's financial instruments are the same. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

Cash and cash equivalents are subject to floating interest rates. As at January 31, 2011, if interest rates had decreased/increased by 1% with all other variable held constant, there will be no significant impact on the financial statements.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of mineral commodities. As of January 31, 2011, the Company was not in the production phase. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(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, 2011

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

(e) Investments In Company Subject To Significant Influence

As a result of the recent acquisition (Note 9), the Company applies equity method, pursuant to GAAP, to record its investment in the company subject to significant influence with 25% of the voting shares. The initial fair value of the investment in the company subject to significant influence was determined by using the closing price on Toronto Stock Exchange.

(f) New Accounting Policies

(i) Newly Adopted Accounting Policies

Mining Exploration Costs

In March 2009, the Emerging Issues Committee issued EIC-174, "Mining Exploration Costs", which provides guidance on the capitalization of exploration costs related to mining properties and the impairment review of such capitalized exploration costs. This EIC became effective of the Company during fiscal year 2009. The application of this EIC did not have an effect on the Company's financial statements.

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.

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations", which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligation for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. Adoption of this standard had no impact on the Company's financial statements.

Non-controlling Interests

In January 2009, the CICA issued Handbook Section 1602, "Non-controlling Interests" which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is effective for 2011. Earlier adoption is permitted. Adoption of this standard had no impact on the Company's financial statements.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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

(f) New Accounting Policies (cont'd)

(i) Newly Adopted Accounting Policies (cont'd)

Consolidated Financial Statements

In January, 2009, the CICA issued Handbook Section 1601, "Consolidated Financial Statements", which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. Adoption of this standard had no impact on the Company's financial statements.

Equity

In August 2009, the CICA issued certain amendments to Section 3251, "Equity". The amendments apply to entities that have adopted Section 1602, "Non-controlling Interests". The amendments require separate presentation on the statements of operations and comprehensive income of income attributable to owners of the Company and those attributable to non-controlling interest. The amendments also require that non-controlling interests be presented separately as a component of equity. The amendments had no impact to the Company's financial statements of the nine months ended January 31, 2011.

(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.

(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.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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

(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.

(i) 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. The new standard had no impact on the Company's financial statements.

(j) 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.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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

(k) 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.

(l) Property and Equipment

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

Office equipment and leasehold improvement	20%
Computer equipment	30%

Leasehold improvement is being depreciated on 5-year straight line basis.

(m) 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.

(n) 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.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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

(o) 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, 2011, all of the outstanding stocks are antidilutive (Note 13).

Note 3. Prior Year's Adjustment

In the April 30, 2009 financial statements, finder's fees of \$1,055,334 should have been recorded as financial fees in the statement of loss and comprehensive loss. The net loss would have been increased by \$1,055,334, the deferred exploration contributions should have been increased by \$505,000 and the share capital should have been increased by \$550,334. The items affected by these adjustments have been corrected retroactively.

Note 4. Accounts Receivable

The followings are included in accounts receivable

	<u>January 31, 2011</u>	<u>April 30, 2010</u>
GST/HST receivable	\$ 145,735	\$ 85,978
QST receivable	304,332	18,349
Quebec Mining Duties credit receivable (Note 8(i))	6,204	6,204
Receivable from joint venture partner (Note 8(i))	2,676,139	10,472,549
Total	\$ 3,312,410	\$ 10,583,050

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 5. Marketable Securities

As January 31, 2011, the Company had available for sale securities as follows:

	<u>January 31, 2011</u>			<u>April 30, 2010</u>		
	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>
<u>Common Shares</u>						
Resolve Ventures Inc.	15,000	\$33,000	\$3,900	15,000	\$33,000	\$3,450

Note 6. Inventory

	<u>January 31, 2011</u>	<u>April 30, 2010</u>
Fuel inventory	<u>\$ 1,347,000</u>	<u>\$1,148,664</u>

Note 7. Property and Equipment

	<u>January 31, 2011</u>			<u>April 30, 2010</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>		<u>Cost</u>	<u>Accumulated Depreciation</u>
Office equipment	\$ 35,153	\$ 20,748	Office equipment	\$ 35,153	\$ 18,207
Computer equipment	85,398	64,566	Computer equipment	85,398	58,521
Leasehold improvement	29,497	7,375	Leasehold improvement	29,497	2,950
	<u>\$ 150,048</u>	<u>\$ 92,689</u>		<u>\$ 150,048</u>	<u>\$ 79,678</u>
			Net		
			Office equipment	\$ 14,405	
			Computer equipment	20,832	
			Leasehold improvement	22,122	
				<u>\$ 57,359</u>	
			Net		
			Office equipment	\$ 16,946	
			Computer equipment	26,877	
			Leasehold improvement	26,547	
				<u>\$ 70,370</u>	

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 8. Mineral Properties

	Balance, April 30, 2010	Increased in nine months ended January 31, 2011	Balance, January 31, 2011
(a) Onaman River			
Acquisition costs	\$ 25,845	\$ -	\$ 25,845
Deferred exploration costs			
- Claims maintenance & staking	9,660	23	9,683
Total deferred exploration costs	9,660	23	9,683
Total Onaman River	35,505	23	35,528
(b) Belanger			
Acquisition costs			
- Cash	121,200	-	121,200
- Shares	620,772	-	620,772
Total acquisition costs	741,972	-	741,972
Deferred exploration costs			
- Assays	228,658	-	228,658
- Claims maintenance & staking	144,446	-	144,446
- Consultants	289,377	-	289,377
- Drilling	3,008,223	-	3,008,223
- Equipment and rental	235,468	-	235,468
- Field work & mobilization	9,784,089	-	9,784,089
- Geophysical survey	2,578,581	-	2,578,581
- Legal	54,100	-	54,100
- Field office and general	27,883	-	27,883
- Reports & maps	97,923	-	97,923
- Site visits	13,023	-	13,023
- Fuel and fuel storage	(328,678)	-	(328,678)
- Salaries and wages	484,685	-	484,685
Total deferred exploration costs	16,617,778	-	16,617,778
Mineral exploration credits	(7,217,959)	-	(7,217,959)
Total Belanger	\$ 10,141,791	-	\$ 10,141,791

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 8. Mineral Properties (cont'd)

	Balance, April 30, 2010	Increased in nine months ended January 31, 2011	Balance, January 31, 2011
(c) Nuvilik			
Acquisition costs			
- Cash	\$ 67,033	\$ -	\$ 67,033
- Shares	445,848	-	445,848
Total acquisition costs	512,881	-	512,881
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
Total deferred exploration costs	1,328,380	-	1,328,380
Mineral exploration credits	(484,232)	-	(484,232)
Total Nuvilik	1,357,029	-	1,357,029
(d) Ungava			
Acquisition costs			
- Cash	134,828	-	134,828
- Shares	323,736	-	323,736
Total acquisition costs	458,564	-	458,564
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
Total deferred exploration costs	4,628,408	-	4,628,408
Mineral exploration credits	(1,703,385)	-	(1,703,385)
Total Ungava	\$ 3,383,587	-	\$ 3,383,587

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 8. Mineral Properties (cont'd)

	Balance, April 30, 2010	Increased in nine months ended January 31, 2011	Balance, January 31, 2011
(e) Wakeham			
Acquisition costs			
- Cash	\$ 26,730	\$ -	\$ 26,730
- Shares	1,797,104	-	1,797,104
Total acquisition costs	1,823,834	-	1,823,834
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
Total deferred exploration costs	4,412,940	-	4,412,940
Mineral exploration credits	(1,660,115)	-	(1,660,115)
Total Wakeham	\$ 4,576,659	-	\$ 4,576,659
(f) Masuparia			
Acquisition costs			
- Shares	1,792,040	-	1,792,040
Total acquisition costs	1,792,040	-	1,792,040
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
Total deferred exploration costs	1,738,930	-	1,738,930
Mineral exploration credits	(647,712)	-	(647,712)
Total Masuparia	\$ 2,883,258	-	\$ 2,883,258

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 8. Mineral Properties (cont'd)

	Balance, April 30, 2010	Increased in nine months ended January 31, 2011	Balance, January 31, 2011
(g Bravo)			
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
Total acquisition costs	8,350,000	-	8,350,000
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)
Total Bravo	\$ 11,274,002	-	\$ 11,274,002
(h Raglan Joint Venture Project)			
Deferred exploration costs			
- Claims and government fees	1,673,548	1,093,845	2,767,393
- Camp management and logistics	4,182,410	3,112,405	7,294,815
- Contractor support services	296,073	1,349,305	1,645,378
- Drilling	4,010,907	3,257,193	7,268,100
- Equipment, supplies, and consumable	540,322	400,773	941,095
- Fuel and fuel storage	2,094,954	396,545	2,491,499
- General administration	122,416	68,922	191,338
- General transport and shipping	63,007	277,622	340,629
- Geochemistry and research analysis	469,516	550,689	1,020,205
- Geophysics and remote sensing	6,617,517	946,664	7,564,181
- Permitting and community relations	202,109	93,566	295,675
- Professional services	36,708	24,810	61,518
- Project air support	3,434,093	4,553,305	7,987,398
- Project travel	180,931	318,319	499,250
- Salaries & benefits	2,222,174	922,606	3,144,780
Deferred exploration costs	26,146,685	17,366,569	43,513,254
Mineral exploration credits	(10,472,549)	4,164,435	(6,308,114)
Total Raglan Joint Venture Project	15,674,136	21,531,004	37,205,140
Payment from joint venture partner	(15,674,136)	(21,531,004)	(37,205,140)
Total Mineral Properties	33,651,831	-	33,651,854

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 8. Mineral Properties (cont'd)

(g) 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. As at January 31, 2011, there are seven patents and 33 lease claims which are 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	1,422	144,461
Masuparia	990	100,386
Wakeham	1,827	183,016
Ungava	1,801	181,310
Bravo	1,804	177,872

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.

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:

Note 8. Mineral Properties (cont'd)

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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

- 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, 2011, Jien has provided funding of \$45 million to the Company, \$12.5 million of which was for the expenditures of the first year, \$15 million of which was for the second year, and \$17.5 million is part of the funding for the third year. The Company also received \$3,631,975 Quebec corporate tax credits that have been claimed by Jien as part of the funding.

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.

9,692,171 common shares of the Company have been issued and a \$1,132,500 cash 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. The cash finder’s fee and value of the common shares issued in lieu of finder’s fee have been recorded as financing costs.

In July 2010, the Company’s commenced its 2010 nickel-copper PGE sulphide exploration program in the Raglan Belt, northern Quebec. This summer exploration program completed successfully in October 2010.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

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, 2011 and have been included in accounts receivable (Note 4). Also included in accounts receivable (Note 4) are \$2,676,139 Quebec corporate tax credits and Quebec mining duties credits for 2009 and 2010 that have been claimed by Jien according to its 2009 and 2010 amended Quebec tax returns (Note 8(b)-(h)) and will be used in Raglan project exploration.

Note 9. Take-over Bid And Investment In Company Subject To Significant Influence

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
January 31, 2011

Note 9. Take-over Bid And Investment In Company Subject To Significant Influence (cont'd)

With several amendments and extensions to the Offers, 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 share and all of the debentures at \$800 (plus accrued interest) per \$1000 principal amount. 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 13, 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 13, 2009 on TSX at \$0.79 per share) which has been recorded as "Investment in Company Subject To Significant Influence" as non-current assets on Balance Sheet. The Company also acquired 25 class A shares and 1 class B share of Jien Canada for cash consideration of \$26, and those are also included in "Investment in Company Subject To Significant Influence".

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 Company Subject To Significant Influence" at the balance sheet and by adjusting its net income or net loss.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 9. Take-over Bid And Investment In Company Subject To Significant Influence (cont'd)

As at January 31, 2011, the Company has investment in Jien Canada Mining Ltd. as follows:

	January 31, 2011			April 30, 2010		
	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>
Class A shares.	25	\$ 25	\$25	25	\$ 25	\$25
Class B shares	4,750,001	3,752,501	3,752,501	4,750,001	3,752,501	3,752,501
		\$3,752,526	\$3,752,526		\$3,752,526	\$3,752,526

On September 21, 2010, the Company announced that at a meeting of the Directors of Jien Canada, the nominees of Jilin Jien had purported to approve an issuance of voting common shares of Jien Canada that would reduce the Company's percentage of voting shares from 25% to 4.21% and increase Jilin Jien's percentage of voting shares from 75% to 95.79%. The Company had informed JJ that this shares issuance is not permitted under the Shareholder, Joint Bid and Operating Agreement ("Shareholder Agreement") between the parties that governs the operation of Jien Canada. The Company has discussed this matter with its legal counsel and has informed Jilin Jien that any issuance of voting shares requires its approval under the Shareholder Agreement and that such issuance is also in contravention of other provisions of the Shareholder Agreement. The Company intends to vigorously defend its rights under the Shareholder Agreement.

On October 20, 2010, the Company announced that it had commenced arbitration proceedings in British Columbia against Jilin Jien in respect of of Jilin Jien's purported issuance of voting common shares of Jien Canada that would reduce the Company's percentage of voting shares, and consequently Company's interest in the Nunavik Nickel Project, from 25% to 4.21%. The Company is seeking remedies, including declarations that the share issuance violated the terms of the Shareholder Agreement between the parties and that the Company continues to hold 25% of the voting shares of Jien Canada.

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 10. Capital Stock

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

(b) **Issued and outstanding:**

	For the nine months ended January 31, 2011		For the year ended April 30, 2010	
	Number of Common Shares	\$	Number of Common Shares	\$
Balance, April 30, 2010 and 2009	182,654,041	\$ 45,340,032	178,171,699	\$ 44,126,478
<u>Common shares issued for cash</u>				
- Stock option exercised @ \$0.21			300,000	63,000
- Stock option exercised @ \$0.125	340,000	42,500	875,000	109,375
- Stock option exercised @ \$0.225	-	-	428,000	96,300
- Stock option exercised @ \$0.31	45,000	13,950	-	-
- Stock option exercised @ \$0.36	-	-	100,000	36,000
- Warrants exercised @ \$0.30	125,000	37,500	551,300	165,390
	-	-		
<u>Common shares issued as finder's fee</u>	489,130	107,608	2,228,042	452,500
<u>Valuation adjustments of warrants & options</u>				
Reverse Black-Scholes valuation on warrants exercised				71,669
Reverse Black-Scholes valuation on options exercised		33,850		219,320
Subtotal	999,130	235,408	4,482,342	1,213,554
Balance January 31, 2011 and April 30, 2010	183,653,171	\$ 45,575,440	182,654,041	\$ 45,340,032

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 10. Capital Stock (cont'd)

(c) Issuance of Common Shares

The Company issued 2,228,042 common shares during the year ended April 30, 2010 and 489,130 common shares during the nine months ended January 31, 2011 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, 2011

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 April 29, 2010, the Company announced that pursuant to the company’s stock option plan, an aggregate of 6,000,000 incentive stock options had been granted to certain directors, officers, employees and consultants. The options have an exercise price of \$0.31 with a five year term.

A summary of the Company’s outstanding stock options as of January 31, 2011 and the changes during the period are presented below:

	<u>Number of Shares Under Stock Options</u>	<u>Weighted Average Exercise Price Per Share</u>
Balance Outstanding, April 30, 2010	17,938,000	\$ 0.245
Exercised	(45,000)	\$ 0.31
Exercised	(340,000)	\$ 0.125
Expired	(250,000)	\$ 0.225
Cancelled	(100,000)	\$ 0.31
Balance Outstanding, January 31, 2011	<u>17,203,000</u>	

GOLDBROOK VENTURES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
January 31, 2011

Note 10. Capital Stock (cont'd)

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

Incentive stock options outstanding at January 31, 2011 to directors, officers and employees are as follows:

Number of options Outstanding and exercisable	Expiry date	Exercise price
670,000	March 3, 2011	\$ 0.230
2,393,000	June 27, 2012	\$ 0.360
4,500,000	January 13, 2013	\$ 0.210
3,785,000	July 17, 2013	\$ 0.125
5,855,000	April 28, 2015	\$ 0.310
<u>17,203,000</u>		

The fair value of the 6,000,000 stock options granted on April 29, 2010 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	64%
Risk free rate of return	1.6%
Expected life of options	5 years

The weighted average fair value of the 6,000,000 options granted on April 29, 2010 was \$0.17 per option granted. Those stock options resulted in a stock-based compensation of and \$1,020,000 which are expensed during the year ended April 30, 2010.

GOLDBROOK VENTURES INC.
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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>
	7,821,000	October. 27, 2010	\$0.30
	17,552,517	June 7, 2010	\$0.50
	17,552,517	June 7, 2010	\$1.00
	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
	6,275,679	September 27, 2010	\$0.50
	6,275,678	September 27, 2010	\$1.00
	2,715,000	October 21, 2010	\$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
Balance Outstanding, April 30, 2010	66,504,677		
Expired	(17,552,517)	June 7, 2010	\$0.50
Expired	(17,552,517)	June 7, 2010	\$1.00
Expired	(1,782,003)	June 7, 2010	\$0.50
Expired	(7,696,000)	October. 27, 2010	\$0.30
Expired	(2,081,395)	September 4, 2010	\$0.50
Expired	(35,800)	September 6, 2010	\$0.50
Expired	(35,800)	September 6, 2010	\$1.00
Expired	(6,275,679)	September 27, 2010	\$0.50
Expired	(6,275,678)	September 27, 2010	\$1.00
Expired	(2,715,000)	October 21, 2010	\$0.50
Expired	(377,288)	November 18, 2010	\$0.50
Exercised	(125,000)	October. 27, 2010	\$0.30
Balance Outstanding, January 31, 2011	4,000,000		

(g) Share Reserved – Common Shares

	<u>Number of shares</u>	
	<u>January 31, 2011</u>	<u>April 30, 2010</u>
Stock options	17,203,000	17,938,000
Share Purchase Warrants	4,000,000	66,504,677
Total	<u>21,203,000</u>	<u>84,441,677</u>

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Note 11. Accumulated Other Comprehensive 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 years ended April 30, 2010 and nine months ended January 31, 2011 includes:

	January 31, 2011	April 30, 2010
Balance, beginning of period	\$ (29,550)	\$ (257,037)
Reverse loss realized from selling of marketable securities	-	227,037
Unrealized income (loss) from marketable securities	450	450
Balance, end of period	\$ (29,100)	\$ (29,550)

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, 2011 (April 30, 2010 - \$Nil).

During the nine months ended January 31, 2011 and 2010, 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:

	Nine months ended October 31	
	2011	2010
Consulting fees		
- Financial	\$ 27,000	\$ 100,500
- Marketing	54,600	53,100
- Shareholders' communication	77,000	74,500
Equipment rental	65,392	67,226
Management fees	525,649	717,500
Professional fees	82,000	82,500
Rent	54,000	54,000
Salaries	90,000	347,250
Website fees	39,525	39,525
Deferred exploration costs	90,000	84,750
Total	\$ 1,105,166	\$ 1,620,851

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.
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Note 13. Loss per Common Share

	<u>Nine months ended January 31, 2011</u>	
	Weighted Average Common Shares Outstanding	Loss Per Common Share
Basic	183,165,770	<u>\$0.009</u>
Effect of stock options	17,833,308	
Effect of stock purchase warrants	24,173,022	
Diluted	<u>225,172,101</u>	<u>\$0.009</u>
Anti Dilutive	<u>183,165,770</u>	

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

	<u>Nine months ended January 31,</u>	
	<u>2011</u>	<u>2010</u>
Balance, Beginning of the period	\$ 4,412,051	\$ 3,611,371
Adjustment on stock options exercised	(33,850)	-
Balance, End of the period	<u>\$ 4,378,201</u>	<u>\$ 3,611,371</u>

Note 15. General and Administrative Expenses

	<u>Nine months ended January 31,</u>	
	<u>2011</u>	<u>2010</u>
<u>Consulting fees</u>		
Financial	\$ 49,029	\$ 70,500
Shareholders' communication	105,600	96,100
Corporate administration	180,000	438,000
Marketing	99,557	90,100
	<u>\$ 434,186</u>	<u>\$ 694,700</u>

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Note 15. General and Administrative Expenses (cont'd)

	Nine months ended January 31,	
<u>Office and general expenses</u>	2011	2010
Bank charges	\$ 2,039	\$ 1,581
Insurance	41,450	35,000
Services	70,607	90,102
Supplies	20,940	15,279
Postage and couriers	8,167	3,282
Rent and telephone	237,116	249,365
Equipment rental	70,079	67,226
Other	15,449	20,892
	\$ 465,847	\$ 482,727

	Nine months ended January 31,	
<u>Professional fees</u>	2011	2010
Accounting and audit fees	\$ 192,464	\$ 144,307
Legal fees (recovery)	371,873	(77,489)
	\$ 564,337	\$ 66,818

	Nine months ended January 31,	
<u>Shareholder communication, travel and promotion</u>	2011	2010
Advertising & promotion	\$ 45,901	\$ 17,484
Communications	1,250	2,500
Conferences & shows	27,372	86,741
Mail-out a& couriers	11,020	9,403
Press releases	18,802	24,712
Printing	14,366	14,753
Telephone, internet, website	110,549	116,257
Travel & entertainment	141,154	51,451
Other	230	-
	\$ 370,644	\$ 323,301

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Note 16. Subsequent Events

- In February 2011, 200,000 stock options with an exercise price at \$0.125 per share were exercised.
- On March 8, 2011, the Company announces that it received a Notice of Arbitration from Jilin Jien Nickel Industry Co. Ltd., and Jilin International Investment Limited (together “Jilin Jien”) in respect of a matter in dispute between Jilin Jien and the Company arising out of the Option and Joint Venture Agreement dated August 28, 2008 between the Company and Jilin Jien Nickel Industry Co. Ltd. (the “Joint Venture Agreement”).

This dispute is in addition to the current arbitration that is ongoing between the Company and Jilin Jien in respect of Jilin Jien's purported dilution of the Company's 25% interest in Canadian Royalties Inc. Jilin Jien is seeking to consolidate the arbitrations.

This most recent dispute arises out of whether Jilin Jien has vested its interest in the joint venture and become operator of the project. Jilin Jien purported to give notice that it had vested its interest under the Joint Venture Agreement on November 15, 2010. However, the Joint Venture Agreement provides that Jilin Jien must incur or fund \$45,000,000 in expenditures and permit any funds rebated by the Government of Quebec to be used for expenditures on the project. The Government of Quebec has so far failed to assess and pay rebates in respect of the 2009 tax year.

It is the Company's position that the time for Jilin Jien's interest to vest should be extended beyond January 31, 2011 (being the date by which the option must have been exercised) until such time as the Quebec Government assesses and pays rebates in respect of the 2009 calendar year. At such time as the 2009 rebates are paid and Jilin Jien permits those funds to be used for expenditures under the Joint Venture Agreement, Jilin Jien will have acquired its interest in the Joint Venture in accordance with the Joint Venture Agreement.

The Notice of Arbitration filed today by Jilin Jien takes the position, among other things, that the Company has repudiated the Joint Venture Agreement by failing to acknowledge that Jilin Jien's interest has vested. Jilin Jien is seeking damages of \$52,000,000 for all monies paid under the Joint Venture Agreement, including all rebates provided or that will in the future be provided by the Quebec Government as a result of tax filings based upon the Joint Venture Agreement. In the alternative, Jilin Jien is seeking a declaration that its interest has vested and it is the operator of the joint venture.

The Company maintains its position in respect to this matter and will defend the claims.

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Note 16. Subsequent Events (cont'd)

- On March 23, 2011, the Company announced the appointment of Mr. Alan Gorman as Executive Vice-President of Operations with the objective of strengthening the Company's operating capabilities.