BITTERROOT RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2011

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-109 Part 4 Subsection 4.3(3) (a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The unaudited interim financial statements of the Company as at April 30, 2011, and for six months ended April 30, 2011 and 2010, were prepared by, and are the responsibility of the Company's management.

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

BITTERROOT RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED - PREPARED BY MANAGEMENT)
(Expressed in Canadian Dollars)

	April 30 2011	October 31 2010
	$	$ *(audited)*
ASSETS		
Current Assets		
Cash and cash equivalents	457,912	585,399
Accounts receivable - other	114,308	118,137
Prepaid expenses	3,809	9,428
	576,029	712,964
Reclamation Deposit	23,300	23,300
Resource Properties (Note 3)	14,000,708	13,503,868
Equipment (Note 4)	11,100	12,513
	14,611,137	14,252,645
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	75,351	182,103
Asset Retirement Obligation (Note 5)	26,116	24,872
Future Income Taxes (Note 11)	1,367,067	1,367,067
	1,468,354	1,574,047
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	20,058,360	19,528,877
Contributed Surplus (Note 7)	3,119,074	3,025,141
Deficit	(10,034,831)	(9,875,415)
	13,142,603	12,678,603
	14,611,137	14,252,645

Continuing Operations (Note 2)
Commitments (Note 16)

Approved by directors:

"Michael S. Carr"
Michael S. Carr, Director

"George W. Sanders"
George W. Sanders, Director

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

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(UNAUDITED - PREPARED BY MANAGEMENT)
(Expressed in Canadian Dollars)

	Three Month Period Ended April 30 2011	Three Month Period Ended April 30 2010	Six Month Period Ended April 30 2011	Six Month Period Ended April 30 2010
	$	$	$	$
Revenue	-	-	-	-
Expenses				
Accretion	621	566	1,244	1,131
Amortization	706	889	1,413	1,477
Foreign exchange loss	1,759	927	4,526	1,631
Interest and bank charges	582	239	1,288	866
Management fees	24,000	24,000	48,000	48,000
Office and printing	43,040	43,831	78,412	71,388
Professional fees	30,048	26,358	46,822	54,244
Property investigation	2,591	3,211	47,854	7,761
Regulatory fees	8,405	4,935	8,405	7,430
Shareholder information	6,563	4,401	14,440	10,215
Stock-based compensation	61,148	28,079	89,611	66,330
Transfer agent fees	9,263	5,659	10,997	6,944
	188,726	143,095	353,012	277,417
Loss Before Other Items and Income Taxes	(188,726)	(143,095)	(353,012)	(277,417)
Other Items				
Interest income	509	4,050	1,096	5,295
Loss Before Income Taxes	(188,217)	(139,045)	(351,916)	(272,122)
Future income tax recovery	-	-	192,500	278,097
Net (Loss) Earnings For The Period	(188,217)	(139,045)	(159,416)	5,975
Deficit, beginning of period	(9,846,614)	(6,723,483)	(9,875,415)	(6,868,503)
Deficit, End Of Period	(10,034,831)	(6,862,528)	(10,034,831)	(6,862,528)
Basic And Diluted (Loss) Earnings Per Share	(0.00)	(0.00)	(0.00)	0.00
Weighted Average Number Of Shares Outstanding	82,771,476	75,768,493	81,649,929	74,253,895

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

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED - PREPARED BY MANAGEMENT)

	Three Month Period Ended April 30 2011	Three Month Period Ended April 30 2010	Six Month Period Ended April 30 2011	Six Month Period Ended April 30 2010
	$	$	$	$
Operating Activities				
Net (loss) earnings for the period	(188,217)	(139,045)	(159,416)	5,975
Items not involving cash				
Amortization	706	889	1,413	1,477
Accretion	622	565	1,244	1,130
Stock-based compensation	61,148	28,079	89,611	66,330
Future income tax recovery	-	-	(192,500)	(278,097)
Changes in non-cash working capital				
Accounts receivable - other	(14,568)	380,681	3,829	888,836
Prepaid expenses	1,463	8,597	5,619	12,160
Accounts payable and accrued liabilities	(43,883)	(8,496)	(113,958)	(125,595)
	(182,727)	(271,270)	(364,158)	572,216
Financing Activity				
Share issuances	1,200	-	771,200	678,200
Share issuance costs	-	-	(49,950)	-
	1,200	-	721,250	678,200
Investing Activities				
Purchase of capital assets	-	(6,022)	-	(6,022)
Resource property expenditures	(196,690)	(48,859)	(529,125)	(720,391)
Recoveries of resource property expenditures	988	-	44,545	-
	(195,702)	(54,881)	(484,580)	(726,413)
Change in Cash During the Period	(377,229)	216,389	(127,487)	524,003
Cash and cash equivalents, beginning of period	835,141	1,065,829	585,399	758,215
Cash and Cash Equivalents, End of Period	457,912	1,282,218	457,912	1,282,218
Cash and Cash Equivalents Consist of:				
Bank deposits	457,912	1,547,571	457,912	1,547,571
Guaranteed investment certificates	-	450,000	-	450,000
	457,912	1,997,571	457,912	1,997,571

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

1. Basis of Presentation

These interim financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended October 31, 2010, except where noted below, and should be read in conjunction with the audited annual financial statements.

2. Continuing Operations

Bitterroot Resources Ltd. incorporated in British Columbia, is a public company listed on the TSX Venture Exchange.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of resource properties.

At April 30, 2011, the Company was in the process of exploring its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral 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.

The Company incurred losses of $159,416 for the six month period ended April 30, 2011 (2010 - earnings of $5,975) and had a deficit of $10,034,831 at April 30, 2011 (October 31, 2010 - $6,862,528) which has been funded primarily by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing, and generating revenues sufficient to cover its operating costs.

These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated balance sheets.

(Expressed in Canadian Dollars)

3. Resource Properties

	GK Property B.C., Canada	Mineral Creek Property B.C., Canada	North Brenda Property B.C., Canada	SPN Property B.C., Canada	Michigan Lands Michigan, USA	Total
	$	$	$	$	$	$
Balance - October 31, 2010	2,576,636	5,189,113	1,848,980	513,540	3,375,599	13,503,868
Additions						
Deferred exploration costs						
Claims, leases and permits	125	167	125	125	28,213	28,755
Consulting and professional	28,041	49,530	37,461	750	87,483	203,265
Field supplies	-	4,994	-	-	873	5,867
Fuel	-	1,193	-	-	31	1,224
Geochemistry	1,916	(4,467)	-	172	9,229	6,850
Geophysics	-	154,449	3,141	11,142	63,284	232,016
Ground transportation	-	2,076	-	-	768	2,844
Other	-	3,314	-	-	26,373	29,687
Recovery of costs	-	(43,557)	-	-	(988)	(44,545)
Room and board	-	2,127	-	-	1,560	3,687
Stock-based compensation	-	-	-	-	5,054	5,054
Travel and freight	-	167	-	-	4,749	4,916
Trenching	17,220	-	-	-	-	17,220
	47,302	169,993	40,727	12,189	226,629	496,840
Balance – April 30, 2011	2,623,938	5,359,106	1,889,707	525,729	3,602,228	14,000,708

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

(a) Michigan Lands, Michigan, U.S.A.

(i) Mineral Rights

The Company owns a 100% interest in mineral rights covering approximately 363 square miles in the Upper Peninsula of Michigan, U.S.A. On approximately 106 square miles, the vendor retains a 2% net smelter return royalty (NSR) and the Company has the option to purchase one half of the total 2% NSR royalty by paying US$1,000,000 on or before December 31, 2048.

(Expressed in Canadian Dollars)

3. Resource Properties *(Cont'd)*

(a) Michigan Lands, Michigan, U.S.A. *(Cont'd)*

(ii) Federal and State Leases

At April 30, 2011, the Company had been granted prospecting permits covering 1,059 acres of federal mineral rights in Michigan. In the event of a discovery, these lands will be subject to a net smelter returns royalty, the terms of which are negotiated on a case-by-case basis. At April 30, 2010, the Company held leases covering approximately 7,389 acres of State of Michigan mineral rights. State leases are subject to a sliding scale production royalty ranging from 2% to 10.5%, or to a net smelter returns royalty, the terms of which are negotiated on a case-by-case basis. In order to maintain the leases in good standing, the Company must make aggregate rental payments of $159,096 through February 28, 2014. Minimum rental payments due in the next five years are as follows:

	$
2011	10,800
2012	13,200
2013	13,200
2014	13,200
2015	13,200

The Company retains a 35% interest in certain State of Michigan mineral leases within a 56 square mile area of interest. Cameco Corporation acquired the remaining 65% interest from the Company having incurred $1,600,000 of exploration expenditures. Cameco and Bitterroot also jointly retain the right to acquire 50 percent of each other's interest in an adjoining 184 square mile area of interest by refunding 100 percent of any land acquisition cost incurred.

(iii) Private Leases

The Company holds private mineral leases covering approximately 1,240 acres in Michigan, U.S.A. In order to maintain the leases in good standing the Company must make aggregate rental payments of $409,200 through January 12, 2020, and aggregate advance royalty payments of $1,125,000 from January 12, 2021 through 2030. The vendor retains a sliding scale net smelter returns royalty indexed to the price of copper.

During the six month period ended April 30, 2011, the Company incurred exploration expenditures of $227,617 (2010 - $246,564) relating to the Michigan properties and received recoveries of $988 (2010 - $62,386)

(Expressed in Canadian Dollars)

3. Resource Properties *(Cont'd)*

(b) GK Property, B.C., Canada

The Company owns a 100% interest in the GK Property located east of the town of Beaverdell, British Columbia. The vendors retain a 2% net smelter returns royalty, of which the Company can purchase half by paying $1,000,000.

During the six month period ended April 30, 2011, the Company incurred exploration expenditures of $47,302 (2010 - $27,555) relating to the GK property.

(c) Mineral Creek Property, B.C., Canada

The Company owns a 100% interest in the Mineral Creek Property, located near Port Alberni, British Columbia. Approximately 50% of the project is subject to a 3.5% net smelter returns royalty. In addition, the Company owns a 100% interest in four adjoining mineral claims.

During the six month period ended April 30, 2011, the Company incurred exploration expenditures of $213,550 (2010 - $246,564) relating to the Mineral Creek property and received recoveries of $43,557 (2010 - $62,386).

(d) North Brenda Property, B.C., Canada

The Company owns a 100% interest in the North Brenda molybdenum/copper/gold property in south western British Columbia. The vendors retain a 2% net smelter returns royalty, of which the Company can purchase half by paying $1,000,000.

During the six month period ended April 30, 2011, the Company incurred exploration expenditures of $40,727 (2010 - $87,626) relating to the North Brenda property.

(e) SPN Property, B.C., Canada

The Company owns a 100% interest in the SPN claims, which are located approximately 20 kilometres southeast of Barriere, British Columbia. The vendor will also retain a 2% net smelter return royalty, of which the Company can purchase half by paying $1,000,000.

During the six month period ended April 30, 2011, the Company incurred exploration expenditures of $12,189 (2010 - $56,493) relating to the SPN property.

4. Equipment

		April 30 2011		October 31 2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Computer hardware	9,396	8,856	540	636
Field equipment	20,095	17,880	2,215	2,606
Furniture and fixtures	9,381	5,247	4,134	4,592
Leasehold improvements	10,646	6,435	4,211	4,679
	49,518	38,418	11,100	12,513

(Expressed in Canadian Dollars)

5. Asset Retirement Obligation

The Company's obligations with respect to asset retirement relate to reclamation of the Mineral Creek Property site on which project operations are situated. The obligation is recognized in the period in which the obligation is created based on the estimated future reclamation costs using a credit-adjusted risk-free rate of 10 percent and estimated inflation of 1.92 percent annually. The total undiscounted future obligation is $53,315. The Company estimates its obligations to be settled over approximately the next 9 years.

	$
Balance – October 31, 2010	24,872
Accretion expense	1,244
Balance – April 30, 2011	26,116

6. Share Capital

(a) Authorized

The authorized share capital consists of an unlimited number of common shares without par value.

(b) Common Shares Issued

	Number Of Shares	Amount
		$
Balance - October 31, 2010	75,768,493	19,528,877
Issued for cash		
Pursuant to private placements	7,000,000	770,000
Options exercised	10,000	1,933
Finders' fees	-	(36,240)
Share issue costs	-	(13,711)
Future income taxes on expenditures renounced to shareholders	-	(192,500)
Balance – April 30, 2011	82,778,493	20,058,359

Flow through shares - Of the shares issued during the six month period ended April 30, 2011, 7,000,000 were issued on a flow through basis whereby the Company must spend $770,000 on Canadian exploration expenditures and renounced these expenditures to shareholders over two years. As of April 30, 2011, the company has spent $174,625 leaving a balance of $595,375.

(Expressed in Canadian Dollars)

6. Share Capital *(Cont'd)*

(b) Common Shares Issued *(Cont'd)*

During the six month period ended April 30, 2011, the Company issued common shares pursuant to the following:

(i) On November 29, 2010, the Company issued 7,000,000 flow-through common shares priced at $0.11 per share for gross proceeds of $770,000.

(ii) On March 7, 2011, 10,000 units of stock options were exercised at $0.12 per option for gross proceeds of $1,200. Accordingly $733 was transferred from contributed surplus to capital stock.

(c) Warrants

Warrant transactions are summarized as follows:

	Number Of Warrants	Weighted Average Exercise Price
		$
Balance - October 31, 2010	520,000	0.12
Expired	(270,000)	0.12
Balance – April 30, 2011	250,000	0.12

The following share purchase warrants (convertible to an equivalent number of common shares) were outstanding at April 30, 2011:

Number Of Warrants	Exercise Price	Expiry Date
	$	
250,000	0.12	December 10, 2011

(Expressed in Canadian Dollars)

7. Contributed Surplus

The Company's contributed surplus is comprised of the following:

	$
Balance – October 31, 2010	3,025,141
Stock options exercised	(733)
Stock-based compensation	94,666
Broker warrants	-
Balance – April 30, 2011	3,119,074

8. Stock Option Plan and Stock-Based Compensation

The Company, in accordance with the policies of the TSX Venture Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years.

Pursuant to the option plan, options granted in respect of investor relations activities are subject to vesting restrictions such that one-quarter of the options vest three months from the date of grant and in each subsequent three-month period thereafter such that the entire option will have vested twelve months after the award date. Vesting restrictions may also be applied to certain other options grants, at the discretion of the directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number Of Options	Weighted Average Exercise Price $
Balance - October 31, 2010	7,574,500	0.30
Options granted	1,405,000	0.12
Options exercised	(10,000)	0.12
Options expired	(725,000)	0.50
Balance – April 30, 2011	8,244,500	0.25

(Expressed in Canadian Dollars)

8. Stock Option Plan and Stock-Based Compensation *(Cont'd)*

The following stock options were outstanding and exercisable at April 30, 2011:

	Options Outstanding			Options Exercisable	
Range Of Exercise Price	**Options Outstanding**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**	**Options Exercisable**	**Weighted Average Exercise Price**
		years	$		$
0.12 – 0.24	5,985,000	3.89	0.12	5,475,000	0.14
0.25 – 0.49	939,500	1.64	0.35	939,500	0.35
0.50 – 0.74	775,000	0.70	0.70	775,000	0.70
0.75 – 0.99	545,000	1.93	0.80	545,000	0.80
	8,244,500	3.20	0.25	7,734,500	0.27

Total compensation expense recognized for stock options granted during the six month period ended April 30, 2011, was $94,665 (2010 – $82,633). Stock based compensation of $5,054 (2010 – $16,304) was capitalized to resource properties for options granted to consultants and $89,611 (2010 - $66,330) was expensed to operations for options granted to directors, consultants and employees of the Company.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options in the three month period ended April 30, 2011:

Volatility	106%
Risk-free interest rate	2.58%
Dividend yield	-
Expected life	5 years

9. Supplemental Cash Flow Information

Six Month Period Ended April 30	**2011**	**2010**
	$	**$**
Cash paid during the period for income taxes	-	-
Cash paid during the period for interest	-	-

During the six month period ended April 30, 2011, the Company issued nil (2010 – 434,783) shares in respect of option payments for resource properties, with a fair value of nil (2010 - $50,000).

(Expressed in Canadian Dollars)

10. Related Party Transactions

The following is a summary of related party transactions and balances for the six month period ended April 30, 2011, not disclosed elsewhere in the financial statements:

(a) Management fees of $48,000 (2010 - $48,000) were incurred from a company controlled by a director in common. These fees were recorded at their exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related entities.

(b) Stock-based compensation includes stock options granted to directors recorded at a fair value of $56,095 (2010 - $36,237).

11. Income Taxes

The tax effects of temporary differences that give rise to significant portions of the future tax assets and liabilities at April 30, 2011 are presented below:

	$
Net operating loss carry-forwards	1,378,729
Capital loss carry-forwards	30,678
Resource properties	(2,821,504)
Equipment	10,478
Share issuance costs	34,552
Net future income tax liability	(1,367,067)

The Company has approximately $2,564,000 of losses for tax purposes which may be used to reduce income taxes of future years and will expire as follows:

	$
2014	179,000
2015	242,000
2026	273,000
2027	414,000
2028	440,000
2029	506,000
2030	510,000
	2,564,000

The Company has non-capital losses for U.S.A. income tax purposes of approximately $2,107,000 which can be carried forward to reduce income up until 2030.

(Expressed in Canadian Dollars)

12. Segmented Information

(a) Industry Information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of resource properties.

(b) Geographic Information

The Company operates in both Canada and the U.S.A. The Company's resource properties and equipment in geographical locations are as follows:

	April 30 2011	October 31 2010
	$	$
Canada	10,409,580	10,140,782
U.S.A.	3,602,228	3,375,599
	14,011,808	13,516,381

13. Financial Instruments

Under Canadian generally accepted accounting principles, financial instruments are classified into one of the following categories: held-for-trading, held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. The following table summarizes information regarding the carrying values of the Company's financial instruments:

	April 30 2011	October 31 2010
	$	$
Held for trading (i)	457,912	585,399
Loans and receivables (ii)	114,308	118,137
Other financial liabilities (iii)	75,351	182,435

(i) Cash and cash equivalents
(ii) Receivables
(iii) Accounts payable and accrued liabilities

The estimated fair values of cash and cash equivalents, receivable and accounts payable and accrued liabilities approximate their respective carrying values due to their nature and short terms to maturity.

14. Management of Capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties. The Company considers as its capital its shareholders' equity.

The Company manages and adjusts its capital structure when changes to the risk characteristics of the underlying assets or changes in economic conditions occur. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of certain of its assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets which are revised periodically based on the results of its exploration programs, availability of financing and industry conditions. Annual and materially updated budgets are approved by the Board of Directors'.

There are no external restrictions on management of capital.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest any excess cash in liquid short-term interest-bearing instruments. When utilized, these instruments are selected with regard to the expected timing of expenditures from continuing operations. The Company currently has sufficient capital resources to meet its planned operations and administrative overhead expenses through its current operating period. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. The Company believes it will be able to raise capital as required in the long term, but recognizes there will be risks involved that may be beyond its control.

15. Financial Instruments Risk Exposure and Management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents balances to meet current working capital requirements. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash and cash equivalents consist of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

15. Financial Instruments Risk Exposure and Management *(Cont'd)*

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents, receivables and reclamation deposits. The Company limits exposure to credit risk by maintaining its cash and cash equivalents and reclamation deposits with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The receivables balance consists of amounts owed from Cameco for reimbursement of mineral exploration expenditures, government investment tax credits, HST recoverable and interest receivable. There is ongoing review to evaluate the credit worthiness of these counterparties. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, receivables and reclamation deposits.

(c) Currency Risk

The Company's operations are in Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A strengthening (weakening) of the Canadian dollar against the US dollar of 10% would not have a significant effect on net loss.

(d) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash and cash equivalents as they are generally held with large financial institutions.

16. Commitments

(a) The Company is required to make certain cash payments and to issue shares to maintain its resource properties, as described in Note 3.

(b) The Company has entered into an office lease expiring March 31, 2015 which calls for monthly payments of approximately $1,528 in year one; $1,584 in year two; $1,641 in year three; $1,698 in year four; and $1,754 in year five, plus an applicable portion of operating costs.

17. Comparative Figures

Certain figures from the previous year have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purposes only and has no effect on previously-reported results.

18. Subsequent Event

The Company issued 2,322,220 units priced at $0.09 in a non-brokered private placement. Each unit consists of one common share and one half of a common share purchase warrant. Each full warrant will be exercisable at $0.15 for a period of 24 months. The proceeds will be used for working capital and to fund copper/nickel exploration in Michigan.