

AUGUSTINE VENTURES INC.

INTERIM FINANCIAL STATEMENTS

**FOR THE SIX MONTH PERIOD
ENDED MAY 31, 2011**

(UNAUDITED – PREPARED BY MANAGEMENT)

THE ACCOMPANYING INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2011 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITOR. THIS NOTICE IS BEING PROVIDED IN ACCORDANCE WITH PARAGRAPH 4.3(3)(a) OF NATIONAL INSTRUMENT 51-102 - CONTINUOUS DISCLOSURE OBLIGATIONS.

AUGUSTINE VENTURES INC.
(amalgamated under the Business Corporations Act (Ontario))
BALANCE SHEETS
(Unaudited - in Canadian Dollars)

	May 31	November 30
	2011	2010
	(unaudited)	(audited)
ASSETS		
Current		
Cash and short-term investments	\$ 929,810	\$ 26,149
Sundry receivables	126,884	1,016
	<hr/> 1,056,694	<hr/> 27,165
Due from related party (note 11)	159,006	69,434
Oil and gas interests (note 7)	1	1
Mining claims (note 8)	506,001	100,001
Capital assets (note 9)	27,389	-
	<hr/> \$ 1,749,091	<hr/> \$ 196,601
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 112,158	\$ 78,046
Due to related parties (note 11)	14,134	34,000
	<hr/> 126,292	<hr/> 112,046
SHAREHOLDERS' EQUITY		
Capital stock (note 10)	2,770,005	1,519,975
Warrants (note 10)	1,483,918	158,357
Contributed surplus (note 10)	225,231	20,440
Deficit	(2,856,355)	(1,614,217)
	<hr/> 1,622,799	<hr/> 84,555
	<hr/> \$ 1,749,091	<hr/> \$ 196,601

AUGUSTINE VENTURES INC.
INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE PERIODS ENDED MAY 31, 2011
(unaudited - in Canadian Dollars)

	Three months ended		Six months ended	
	May 31	May 31	May 31	May 31
	2011	2010	2011	2010
Expenses				
Management fees (note 11)	\$ 43,750	\$ 14,000	\$ 72,917	\$ 26,500
Accounting and corporate services (note 11)	21,000	9,000	38,500	16,500
Amortization	2,221	-	2,221	-
Directors fees (note 11)	23,500	-	23,500	-
General and administrative	61,663	17,056	92,246	20,056
Professional fees	8,368	-	8,368	-
Salaries and benefits	34,128	-	56,312	-
Shareholder and public company costs	34,903	5,275	57,458	10,309
Stock option compensation (note 10)	58,725	-	58,725	-
Mineral property exploration - Wawa project	577,092	-	831,891	-
Net loss and comprehensive loss for the period	(865,350)	(45,331)	(1,242,138)	(73,365)
Deficit, beginning of the period	(1,991,005)	(1,473,223)	(1,614,217)	(1,445,189)
Deficit, end of the period	\$(2,856,355)	\$(1,518,554)	\$(2,856,355)	\$(1,518,554)
Loss per common share (note 13)	\$ (0.035)	\$ (0.009)	\$ (0.061)	\$ (0.014)
Weighted average number of common shares - basic and diluted	24,689,127	5,061,564	20,319,867	5,061,564

See notes to unaudited interim financial statements

AUGUSTINE VENTURES INC.
INTERIM STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MAY 31, 2011
(unaudited - in Canadian Dollars)

	Three months ended		Six months ended	
	May 31	May 31	May 31	May 31
	2011	2010	2011	2010
Cash provided by (used in) operating activities				
Loss for the period	\$ (865,350)	\$ (45,331)	\$(1,242,138)	\$ (73,365)
Adjustment for stock option compensation	58,725	-	58,725	-
Changes in non-cash working capital items				
Due to/from related parties	(82,812)	25,000	(109,438)	(14,504)
Shares issued to retire debts	-	-	-	59,504
Amortization	2,221	-	2,221	-
Sundry receivables	(121,310)	-	(125,868)	-
Accounts payable	(8,597)	20,331	34,112	28,365
	(1,017,123)	-	(1,382,386)	-
Cash provided by (used in) investing activities				
Capital assets	(11,610)	-	(29,610)	-
Cash provided by (used in) financing activities				
Issuance of share capital (note 10)	482,244	-	2,315,657	-
Increase (decrease) in cash	(546,489)	-	903,661	-
Cash, beginning of the period	1,476,299	-	26,149	-
Cash, end of the period	\$ 929,810	\$ -	\$ 929,810	\$ -
Cash consists of:				
Cash	\$ 919,810	\$ -	\$ 919,810	\$ -
Short-term investments	10,000	-	10,000	-
	\$ 929,810	\$ -	\$ 929,810	\$ -
Supplementary information:				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-

See notes to unaudited interim financial statements

AUGUSTINE VENTURES INC.

Notes to Interim Financial Statements (Unaudited)

May 31, 2011 and 2010

1. Nature of Operations

Augustine Ventures Inc. ("Augustine" or the "Company") was established on May 7, 1997 as Black Mountain Minerals Inc. by statutory amalgamation of Triangle Capital Energy Corp. and Per-X Minerals Inc. pursuant to the provisions of the *Business Corporations Act* (Ontario). The Company engages in mineral exploration in Canada.

2. Notice of No Auditor Review of Financial Statements

Under National Instrument 51-102 "Continuous Disclosure Requirements", Part 4, Paragraph 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financials have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

3. Significant Accounting Policies

Management has prepared these interim financial statements of the Company in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements, in management's opinion, have been properly prepared using careful judgment with reasonable limits of materiality. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended November 30, 2010. These interim financial statements do not contain all disclosures required under generally accepted accounting principles for annual financial statements and should therefore be read in conjunction with the financial statements and the notes for the year ended November 30, 2010.

Future Accounting Standards

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's AcSB formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008, the AcSB confirmed that publicly accountable, profit oriented enterprises will be required to report under IFRS for interim and annual financial statements for periods commencing on or after January 1, 2011. Accordingly, the Company will be required to have prepared, in time for its fiscal 2012 first quarter filing, comparative financial statements in accordance with IFRS for the three months ended February 28, 2011. This will be an ongoing process as the International Accounting Standards Board and the AcSB continue to issue new standards and recommendations. The Company is in the process of evaluating the potential impact of IFRS on its financial statements. Based on the current guidance provided by regulatory bodies, it is anticipated that the Company's financial results and position as disclosed in its current Canadian GAAP financial statements will not differ significantly from that which is required in accordance with IFRS.

4. Financial Instruments

The Company's financial instruments consist of cash, sundry receivables, advances to related party, accounts payable and accrued liabilities and due to related parties.

AUGUSTINE VENTURES INC.

Notes to Interim Financial Statements (Unaudited)

May 31, 2011 and 2010

Fair Value Disclosure

The fair value measurement of assets and liabilities recognized on the balance sheet are categorized into levels within a fair value hierarchy based on the nature of valuation inputs.

The fair value hierarchy has the following levels:

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

Cash is classified as Level 1, sundry receivables and accounts payable and accrued liabilities are classified as Level 3 within the fair value hierarchy.

The fair values of sundry receivables and accounts payable and accrued liabilities approximate their carrying values due to the relatively short periods to maturity of these instruments. The advances to related party and the amount due to related parties are non-interest bearing with no specific terms of repayment and due on demand. The fair values of these amounts have not been disclosed because the cash flow streams of the related party amounts are not determinable.

5. Risk Factors

Financial risks

The Company's activities expose it to a variety of financial risks: credit risk, currency risk, market risk and liquidity risk. Risk management is carried out by the Company's management with guidance from the Audit Committee. It is management's opinion that the Company is not exposed to significant credit risk, currency or market risks arising from the financial instruments. It is management's opinion that the carrying values of the financial instruments approximate their fair values due to their immediate or short-term maturity.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash are mainly held through large Canadian financial institutions.

The Company's receivables consist of sales tax due from the Government of Canada. The Company has a demand loan due from a related party.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. As at February 28, 2011, it is management's opinion that the Company is not exposed to any significant liquidity risk as it has sufficient funds on hand to allow the Company to fulfil its obligations as they become due.

AUGUSTINE VENTURES INC.
Notes to Interim Financial Statements (Unaudited)
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6. Management of Capital

The Company manages and adjusts its capital structure based on available funds in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria.

As at May 31, 2011, the Company had capital resources consisting mainly of cash, sundry receivables and an advance to a related party of the Company. The Company's primary source of funds comes from equity financing through private placements.

There were no changes in the Company's approach to capital management during the period ended May 31, 2011. The Company is not subject to externally imposed capital requirements.

7. Oil and Gas Interests

The Company holds a 75% interest in certain oil and gas leases located in Camden Core Township, Kent County, Ontario. The interest is subject to 25% gross overriding royalties. These oil and gas interests are being carried at the nominal value of \$1.

8. Mining Claims

	Opening	Changes	Closing
Brackin, Township, Ontario Acquisition	\$ 1	\$ -	\$ 1
Surluga Property, Wawa, Ontario Acquisition	100,000	406,000	506,000
Total	<u>\$ 100,001</u>	<u>\$ 406,000</u>	<u>\$ 506,001</u>

Brackin Township, Ontario

The Company holds a 100% interest in 4 patented mining claims located in Brackin Township in the Province of Ontario. These claims are being carried at the nominal value of \$1.

Surluga Property, Wawa, Ontario

Pursuant to the terms of an option agreement dated September 22, 2010 (the "Option Agreement"), as amended by an amending agreement dated November 25, 2010, entered into between the Company, Delta Uranium Inc. ("Delta") and Delta Precious Metals (Ontario) Inc. ("DPMI") and also pursuant to the terms of an assignment agreement dated September 15, 2010 (the "Assignment Agreement") entered into between the Company, Delta, DPMI, Citadel Gold Mines Inc. ("Citadel") and Citabar Limited Partnership ("Citabar"), the Company acquired an option to earn a 60% interest in the Surluga Property, which encompasses 172 mineral claims in McMurray Township, southeast of the town of Wawa, Ontario.

Pursuant to the terms of the Assignment Agreement, Citabar and Citadel consented to Delta and DPMI assigning their rights under an option agreement dated April 16, 2009, as amended, (the "Delta Option Agreement") whereby Delta and DPMI granted DPMI the exclusive right to earn an undivided 60% interest in the Surluga Property. In consideration for Citabar's consent, the Company has agreed to issue an aggregate of 1,000,000 common shares to Citabar as follows:

- (1) 250,000 common shares on the date that the Ontario Ministry of Northern Development, Mines and Forestry consents to the transfer of the Surluga Property from Citadel to Citabar (the "Consent Date"), of which the said 250,000 common shares have been issued on December 22, 2010; and

AUGUSTINE VENTURES INC.
Notes to Interim Financial Statements (Unaudited)
May 31, 2011 and 2010

- (2) an additional 250,000 common shares on each of the first, second and third year anniversary of the Consent Date, which shares have also been issued on December 22, 2010.

Pursuant to the Option Agreement, the Company has agreed to pay Delta an aggregate of \$100,000 and issue an aggregate of 3,810,000 common shares of which the \$100,000 has been paid during the fiscal year and the common shares issued on December 22, 2010, after the fiscal year end. This Transaction is considered a related party transaction because Delta and the Company have common officers, directors and that Delta is a significant shareholder of the Company after they received shares from the option agreement.

9. Capital Assets

	May 31 2011	November 30 2010
	\$	\$
Vehicles	18,150	-
Accumulated amortization	(1,361)	-
	<u>16,789</u>	<u>-</u>
Computer equipment	11,460	-
Accumulated amortization	(860)	-
	<u>10,600</u>	<u>-</u>
	<u>27,389</u>	<u>-</u>

10. Share Capital

As at July 29, 2011, the Company had the following outstanding share capital:

Common shares summary:

Date		Number of Common Shares	Amount \$
November 30, 2009	Balances	4,719,149	1,354,899
December 15, 2009	Issued to retire debts	780,851	59,504
November 1, 2010	Private placement	2,639,290	263,929
	Warrant valuation		(158,357)
November 30, 2010	Balances	8,139,290	1,519,975
December 22, 2010	Issued for mineral property	4,060,000	406,000
December 22, 2010	Private placement ⁽¹⁾	6,150,000	1,230,000
February 8, 2011	Private placement ⁽²⁾	3,900,000	780,000
March 23, 2011	Private placement ⁽³⁾	2,700,000	540,000
	Warrant valuation		(1,325,561)
	Costs of issue		(390,409)
March 24, 2011	Exercised of options	100,000	10,000
April 27, 2011	Private placement ⁽⁴⁾	922,500	
May 31, 2011	Balances	25,971,790	2,770,005
June 13, 2011	Private placement ⁽⁵⁾	585,000	
July 28, 2011	Private placement ⁽⁶⁾	405,000	
July 29, 2011	Balances	26,961,790	2,770,005

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Notes to Interim Financial Statements (Unaudited)
May 31, 2011 and 2010

- (1) On December 22, 2010, Augustine closed a first tranche of financing for 2,150,000 Flow Through Units and 4,000,000 Non Flow Through Units at the price of \$0.20 per Unit for gross proceeds of \$1,230,000. Each Flow Through Unit consists of one common share and one half common share purchase warrant, and each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.40 expiring on December 22, 2012. The Company paid a cash commission of \$98,400 and 492,000 Compensation Options.
- (2) On February 8, 2011, Augustine closed a second tranche of financing for 775,000 Flow Through Units and 3,125,000 Non Flow Through Units at the price of \$0.20 per Unit for gross proceeds of \$780,000. Each Flow Through Unit consists of one common share and one half common share purchase warrant, and each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.40 expiring on February 8, 2013. The Company paid a cash commission of \$62,400 and 312,000 Compensation Options.
- (3) On March 23, 2011, Augustine closed a third tranche of financing for 800,000 Flow Through Units and 1,900,000 Non Flow Through Units at the price of \$0.20 per Unit for gross proceeds of \$540,000. Each Flow Through Unit consists of one common share and one half common share purchase warrant, and each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.40 expiring on March 23, 2013. The Company paid a cash commission of \$43,200 and 216,000 Compensation Options.
- (4) The Company issued a total of 922,500 units equal to 15% of the total units to the subscribers of a private placement that closed on December 22, 2010 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 60,000 Non Flow Through Units and 322,500 Flow Through Units. Each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.40 expiring on April 27, 2013.
- (5) The Company issued a total of 585,000 units equal to 15% of the total units to the subscribers of a private placement that closed on February 8, 2011 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 468,750 Non Flow Through Units and 116,250 Flow Through Units. Each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.40 expiring on June 13, 2013.
- (6) The Company issued a total of 405,000 units equal to 15% of the total units to the subscribers of a private placement that closed on March 23, 2011 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 285,000 Non Flow Through Units and 120,000 Flow Through Units. Each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.40 expiring July 28, 2013.

Stock options summary:

	Number of options	Weighted-average exercise price \$
Balance, November 30, 2009	367,196	0.10
Granted	491,402	0.10
Exercised	-	-
Expired/cancelled	-	-
Balance, November 30, 2010	858,598	0.10
Granted	865,000	0.20
Exercised	(100,000)	0.10
Expired/cancelled	(143,598)	0.10
Balances, May 31 and July 29, 2011	1,480,000	0.16

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Notes to Interim Financial Statements (Unaudited)
May 31, 2011 and 2010

The Company applies the fair value method of accounting for stock-based compensation awards to employees and non-employees. For valuation purposes, the fair values of options granted were estimated on their dates of grant using the Black-Scholes option pricing model as follows:

Grant Date	Expiry Date	Options Granted	Exercisable Options	Exercise Price	Market Price	Risk Free Interest Rate	Expected Volatility	Average Expected Life	Expected Dividend Yield	Fair Values
Nov. 24, 2009	Nov. 24, 2014	367,196	173,598	\$0.10	\$0.054	2.54%	100%	5 years	0%	\$13,219
Nov. 10, 2010	Nov. 11, 2012	491,402	441,402	\$0.10	\$0.04	1.57%	114%	2 years	0%	\$7,221
Apr. 25, 2011	Apr. 1, 2013	865,000	410,000	\$0.20	\$0.20	1.74%	150%	2 years	0%	\$58,725
		1,723,598	1,025,000							\$79,165

Warrants summary:

The Company issued warrants in connection with private placements and is disclosed as a separate component of shareholders' equity. The fair values of the associated warrants were estimated on their dates of issue using the Black-Scholes option pricing model as follows:

Issue Date	Expiry Date	Number of Warrants	Remaining Warrants	Exercise Price	Market Price	Risk Free Interest Rate	Expected Volatility	Average Expected Life	Expected Dividend Yield	Fair Values
Nov. 1, 2010	Nov. 1, 2012	2,639,290	2,639,290	\$0.20	\$0.10	1.41%	147%	2 years	0%	\$158,357
Dec. 22, 2010	Dec. 22, 2012	5,075,000	5,075,000	\$0.40	\$0.20	1.66%	150%	2 years	0%	\$617,788
Feb. 8, 2011	Feb. 8, 2013	3,512,500	3,512,500	\$0.40	\$0.20	1.77%	150%	2 years	0%	\$427,836
Mar. 23, 2011	Mar. 23, 2013	2,300,000	2,300,000	\$0.40	\$0.20	1.63%	150%	2 years	0%	\$279,937
Apr. 27, 2011	Apr. 27, 2013	761,250	761,250	\$0.40						(1)
Balance, May 31, 2011		14,288,040	14,288,040							\$1,483,918
June 13, 2011	June 13, 2013	526,875	526,875	\$0.40						(1)
July 28, 2011	July 28, 2013	345,000	345,000	\$0.40						(1)
Balances, July 29, 2011		15,159,915	15,159,915							\$1,483,918

(1) No value assigned to date as these warrants were issued pursuant a penalty clause as described in sub-note 4 in "Common Shares" above.

Compensation options summary:

Issue Date	Expiry Date	Options Issued	Remaining Options	Exercise Price	Market Price	Risk Free Interest Rate	Expected Volatility	Average Expected Life	Expected Dividend Yield	Fair Values
Dec. 22, 2010	Dec. 22, 2012	492,000	492,000	\$0.20	\$0.20	1.66%	150%	2 years	0%	\$70,448
Feb. 8, 2011	Feb. 8, 2013	312,000	312,000	\$0.20	\$0.20	1.77%	150%	2 years	0%	\$44,694
Mar. 23, 2011	Mar. 23, 2013	216,000	216,000	\$0.20	\$0.20	1.63%	150%	2 years	0%	\$30,924
		1,020,000	1,020,000							\$146,066

Contributed surplus summary:

Balance, November 30, 2009	\$ 13,219
Stock option compensation	7,221
Balance, November 30, 2010	20,440
Stock option compensation	58,725
Fair value of compensation options	146,066
Balance, May 31 and July 29, 2011	\$ 225,231

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May 31, 2011 and 2010

11. Related Party Transactions

During the period ended May 31, 2011, the Company entered into the following transactions with related parties:

- (a) The Company paid or accrued management fees totaling \$72,917 (2010 - \$26,500) to an officer and a director of the Company.
- (b) The Company paid or accrued accounting and corporate services fees totaling \$35,000 (2010 - NIL) to a current officer of the Company.
- (c) The Company paid or accrued accounting and corporate services fees totaling \$NIL (2010 - \$16,500) to a former officer and director of the Company.
- (d) The Company accrued directors fees totaling \$23,500 (2010 - \$NIL) to directors of the Company for their services as directors.
- (e) During the year ended November 30, 2010, the Company entered into an Assignment Agreement with Delta Uranium Inc. ("Delta") whereby the Company would acquire and assume Delta's interests and obligations in the Surluga Property (see "Results of Operations - Project Review" above). Also during that year, the Company entered into an agreement with Delta (the "Delta Augustine Agreement") whereby Augustine would pay to Delta an amount of cash and common shares.

Under the terms of the Delta Augustine Agreement, the Company agreed to pay the following consideration to Delta:

I - \$100,000 cash on execution of the Delta Augustine Agreement (which amount was paid in December 2010); and

II - 3,810,000 common shares in the capital of the Company valued at an estimated fair value of \$381,000, which shares were issued to Delta in December 2010.

The Company and Delta are related due to common officers, directors, shareholders and that Delta currently holds greater than 10% of the issued and outstanding common shares of the Company.

The Company has also made a demand loan to Delta during the period and the amount of \$159,006 (2010 - nil) was due and receivable to the Company at period end. Included in the amount receivable are rent and occupancy costs totaling \$37,500 (paid at the rate of \$7,500 per month) being paid to Delta by the Company. The indebtedness is non-interest bearing and repayable on demand.

The above transactions were in the normal course of operations and were recorded at exchange values established, which is the consideration agreed upon by the related parties.

12. Segmented Information

The Company's operations comprise a single reporting operating segment engaged in resource exploration through investing in resource properties. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for loss for the year also represent segment amounts. All of the Company's operations and assets are situated in Canada.

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May 31, 2011 and 2010

13. Basic and Diluted Loss Per Share

Basic and diluted loss per share for the six month period ended May 31, 2011 is computed on the basis of the loss of \$1,242,138 (2010 - \$73,365) and the weighted average number of common shares outstanding during that period was 20,319,867 (2010 - 5,061,564). Basic and diluted loss per share for the three month period ended May 31, 2011 is computed on the basis of the loss of \$865,350 (2010 - \$45,331) and the weighted average number of common shares outstanding during that period was 24,689,127 (2010 - 5,061,564). Basic and diluted loss per share is the same because the warrants and the options outstanding during the periods ended May 31, 2011 and 2010 were not in the money.

14. Subsequent Events

On June 13, 2011, the Company issued a total of 585,000 units equal to 15% of the total units of a private placement that closed on February 8, 2011 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 468,750 Non Flow Through Units and 116,250 Flow Through Units. Each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.40 expiring on June 13, 2013.

On July 28, 2011, the Company issued a total of 405,000 units equal to 15% of the total units of a private placement that closed on March 23, 2011 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 285,000 Non Flow Through Units and 120,000 Flow Through Units. Each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.40 expiring July 28, 2013.