ALDERSHOT RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2012 and 2011
Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aldershot Resources Ltd.

We have audited the accompanying consolidated financial statements of Aldershot Resources Ltd., which comprise the consolidated statements of financial position as at January 31, 2012, January 31, 2011 and February 1, 2010, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended January 31, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aldershot Resources Ltd. as at January 31, 2012, January 31, 2011 and February 1, 2010, and its financial performance and its cash flows for the years ended January 31, 2012 and 2011, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Aldershot Resources Ltd.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
May 24, 2012

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	January 31, 2012	January 31, 2011	February 1, 2010
			(Note 25)	(Note 25)
ASSETS		$	$	$
Current assets				
Cash and cash equivalents	6	415,499	121,705	187,521
Trade and other receivables	7,20	12,237	12,356	1,705
Prepaid expenses and deposits		25,913	13,317	7,469
Total current assets		453,649	147,378	196,695
Non-current assets				
Reclamation bonds	10	58,807	8,914	12,284
Property, plant and equipment	8	16,531	33,645	48,819
Investment in joint venture	9	1,713,400	-	-
Exploration and evaluation assets	10	818,716	-	-
Total non-current assets		2,607,454	42,559	61,103
TOTAL ASSETS		**3,061,103**	**189,937**	**257,798**
LIABILITIES AND EQUITY				
LIABILITIES				
Current liabilities				
Trade and other payables	11,20	210,032	56,242	62,861
Debenture payable	12	100,000	89,520	-
Current portion of amounts due to joint venture partner	13	241,248	-	-
Total current liabilities		551,280	145,762	62,861
Non-current liabilities				
Amounts due to joint venture partner	13	46,330	-	-
Total liabilities		597,610	145,762	62,861
EQUITY				
Equity attributable to the owners of the Company				
Share capital	14	14,837,582	12,441,509	12,231,269
Warrant reserve	15	1,824,908	4,204,169	3,532,350
Share-based payment reserve	16	5,917,717	2,398,115	2,189,026
Foreign currency translation reserve		(4,605)	-	-
Accumulated deficit		(20,098,876)	(18,999,618)	(17,757,708)
Total equity attributable to owners of the Company		2,476,726	44,175	194,937
Non-controlling interest		(13,233)	-	-
Total equity		2,463,493	44,175	194,937
TOTAL LIABILITIES AND EQUITY		**3,061,103**	**189,937**	**257,798**

On behalf of the Board:

"Jeremy Caddy" — Jeremy Caddy, Director

"Philip G. Crabb" — Philip G. Crabb, Director

See accompanying notes to the consolidated financial statements

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	Year ended January 31, 2012	Year ended January 31, 2011 (Note 25)
		$	$
EXPENSES			
Exploration and evaluation expenses	10, 20	251,494	210,956
Consulting, administrative and directors' fees	20	92,311	55,542
Depreciation	8	8,403	16,109
General and administrative	20	58,333	40,641
Other expenses		57,443	40,973
Professional fees		128,231	105,529
Project investigation costs		10,840	187,789
Salaries and benefits		154,056	166,696
Shareholder and regulatory		50,930	45,326
Stock-based compensation	14	-	191,236
OPERATING LOSS		(812,041)	(1,060,797)
OTHER ITEMS			
Equity loss from investment in joint venture	9	(109,624)	-
Finance costs	12,13, 20	(41,538)	(13,812)
Foreign exchange gain (loss)		44,054	(4,468)
Interest, rentals and other income	20	8,789	19,826
		(98,319)	1,546
NET LOSS FOR THE YEAR		**(910,360)**	**(1,059,251)**
Attributable to:			
Equity holders of the Company		(898,873)	(1,059,251)
Non-controlling interests		(11,487)	-
NET LOSS FOR THE YEAR		**(910,360)**	**(1,059,251)**
OTHER COMPREHENSIVE LOSS			
Exchange difference on translating foreign operations		(6,351)	-
COMPREHENSIVE LOSS FOR THE YEAR		**(916,711)**	**(1,059,251)**
Attributable to:			
Equity holders of the Company		(903,478)	(1,059,251)
Non-controlling interests		(13,233)	-
COMPREHENSIVE LOSS FOR THE YEAR		**(916,711)**	**(1,059,251)**
LOSS PER SHARE – BASIC AND DILUTED	18	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED		114,388,865	82,312,153

See accompanying notes to the consolidated financial statements

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

		Attributable to Owners of the Company								
		Share Capital		Warrant Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Equity	Non-controlling Interest	Total Equity
	Note	Number of Shares	$	$	$	$	$	$	$	$
Balance, February 1, 2010	25	74,092,975	12,231,269	3,532,350	2,189,026	—	(17,757,708)	**194,937**	—	**194,937**
Shares issued for:										
Cash	14	14,400,000	720,000	—	—	—	—	**720,000**	—	**720,000**
Share issue costs	14	—	(20,600)	—	—	—	—	**(20,600)**	—	**(20,600)**
Fair value of warrants issued	14	—	(489,160)	489,160	—	—	—	—	—	—
Modification of warrant terms	15	—	—	182,659	—	—	(182,659)	—	—	—
Fair value of debenture conversion	12	—	—	—	17,853	—	—	**17,853**	—	**17,853**
Stock-based compensation	14	—	—	—	191,236	—	—	**191,236**	—	**191,236**
Net loss and comprehensive loss		—	—	—	—	—	(1,059,251)	**(1,059,251)**	—	**(1,059,251)**
Balance, January 31, 2011	25	**88,492,975**	**12,441,509**	**4,204,169**	**2,398,115**	—	**(18,999,618)**	**44,175**	—	**44,175**
Shares issued for:										
Cash	14	33,000,000	1,650,000	—	—	—	—	**1,650,000**	—	**1,650,000**
Acquisition of Royal USA	5,14	35,000,000	1,225,000	480,448	—	—	—	**1,705,448**	—	**1,705,448**
Share issue costs	14	—	(19,700)	—	—	—	—	**(19,700)**	—	**(19,700)**
Fair value of warrants issued	14	—	(459,227)	459,227	—	—	—	—	—	—
Modification of warrant terms	15	—	—	200,385	—	—	(200,385)	—	—	—
Fair value of debenture conversion extension	12	—	—	—	281	—	—	**281**	—	**281**
Transfer of expired warrants	15	—	—	(3,519,321)	3,519,321	—	—	—	—	—
Net loss		—	—	—	—	—	(898,873)	**(898,873)**	(11,487)	**(910,360)**
Other comprehensive loss		—	—	—	—	(4,605)	—	**(4,605)**	(1,746)	**(6,351)**
Balance, January 31, 2012		**156,492,975**	**14,837,582**	**1,824,908**	**5,917,717**	**(4,605)**	**(20,098,876)**	**2,476,726**	**(13,233)**	**2,463,493**

See accompanying notes to the consolidated financial statements

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended January 31, 2012	Year ended January 31, 2011 (Note 25)
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	(910,360)	(1,059,251)
Adjustments to loss for non-cash items:		
Depreciation	8,403	16,109
Equity loss from investment in joint venture	109,624	-
Stock-based compensation	-	191,236
Accretion included in finance costs	31,538	7,373
Loss on sale of property, plant and equipment	2,652	-
Net changes in non-cash working capital items:		
Trade and other receivables	4,215	(10,651)
Prepaid expenses and deposits	(12,596)	(5,848)
Trade and other payables	(374,465)	(6,619)
Net cash flows used in operating activities	(1,140,989)	(867,651)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received on acquisition of subsidiary	3,928	-
Reclamation bonds	5,134	3,370
Proceeds on sale of property, plant and equipment	25,637	-
Expenditures on property, plant and equipment	-	(935)
Investment in joint venture	(111,792)	-
Net cash flows from (used in) investing activities	(77,093)	2,435
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,650,000	720,000
Share issue costs	(19,700)	(20,600)
Amounts due to joint venture partner	(118,424)	-
Proceeds from debenture payable	-	100,000
Net cash flows from financing activities	1,511,876	799,400
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	293,794	(65,816)
CASH AND CASH EQUIVALENTS, BEGINNING	121,705	187,521
CASH AND CASH EQUIVALENTS, ENDING	415,499	121,705

See accompanying notes to the consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Aldershot Resources Ltd ("Aldershot") commenced operations in 1996, and along with its subsidiaries, (collectively, the "Company") is primarily engaged in the acquisition and exploration of mineral properties in United States, Australia and Zambia.

Aldershot is a publicly listed company with its shares listed on the TSX Venture Exchange ("TSX-V"). The Company's registered office is located at 10th Floor, 595 Howe Street, Vancouver, BC, V2C 2T5 and its head office is located at 1500 – 885 West Georgia Street, Vancouver, BC, V6C 3E8.

Going Concern

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at January 31, 2012 the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management is of the opinion that sufficient working capital will be obtainable from external financing sources (primarily through private placements of common shares) to meet the Company's liabilities and commitments as they become due, although there is risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Company, including comparatives, have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). As required, the Company is now preparing its financial statements in accordance with IFRS, effective February 1, 2011. Previously the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). The disclosures concerning this transition from GAAP to IFRS are provided in Note 25.

The consolidated financial statements were authorized for issue on May 24, 2012 by the directors of the Company.

3. BASIS OF PRESENTATION

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments which are measured at fair value. The consolidated financial statements are presented in Canadian dollars, unless otherwise indicated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The consolidated financial statements include the accounts of Aldershot, the parent company, and its controlled subsidiaries, after the elimination of all intercompany balances and transactions. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtained control, and continue to be consolidated until the date that such control ceased. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

a) Basis of Consolidation – *Continued*

The Company's controlled subsidiaries included in these consolidated financial statements are:

Name	Country of Incorporation	Ownership
Royal USA Inc.	United States	100%
Aldershot Holdings Ltd.	Canada	100%
Aldershot Resources Zambia Limited	Zambia	100%
Lynx-Royal JV LLC	United States	90%
Geolynx LLC	United States	80%

b) Significant accounting judgements, estimates and assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on managements' experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

i) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy for acquisition costs requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. Acquisition expenditures are capitalized and if information later becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period when the new information becomes available.

ii) Acquisitions

The Company must use judgement and make estimates to determine the allocation of the purchase consideration based on the fair market value of the assets and liabilities acquired.

iii) Other

Other areas where the Company is required to make judgements, estimates and assumptions are the determination of deferred income tax amounts and the assessment of whether deferred tax assets should be recognized, the calculations of share-based payment amounts and management's assumptions and estimates related to going concern considerations.

c) Exploration and evaluation assets

Exploration costs are initially charged to operations as incurred. Any government tax credits received are recorded as a reduction of the related exploration costs. When it has been established that mineral reserves are determined to be proven and probable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

c) Exploration and evaluation assets – *Continued*

Mineral property acquisition costs are initially capitalized until the viability of the mineral interest is determined. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon estimated proven and probable reserves.

Capitalized amounts may be written down if future undiscounted cash flows, including potential sales proceeds, related to a mineral property are estimated to be less than the carrying value of the property in accordance with the Company's impairment policy reviews. The Company's exploration and evaluation assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company's criteria for testing impairment includes, but is not limited to, when:

- i) Exploration rights for a specific area expired or are expected to expire in the near future and these rights are not expected to be renewed;
- ii) Substantive expenditures on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;
- iii) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area;
- iv) Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an impairment test is performed and, as a result of this test, it is determined that the carrying amount of an exploration and evaluation asset exceeds its recoverable amount, a provision is made for the decline in value and charged against operations in the year.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

d) Farm outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized or expensed.

e) Joint ventures

From time to time, the Company enters into agreements that provide for specified percentage interests in mineral property rights to be allocated to joint venture participants in exchange for funding or joint funding of exploration programs. As such, these agreements represent jointly controlled activities, which are recognized in the Company's financial statements. The Company recognizes in its financial statements its share of the jointly controlled assets, jointly controlled exploration expenditures, any liabilities incurred directly by the Company on these activities and its share of liabilities incurred jointly with the other venture partners in relation to the jointly controlled activities. The Company also recognizes its share of any expenses incurred by the joint venture as well as expenses incurred directly by the Company in respect of the joint venture activities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

e) Joint ventures – Continued

In addition, the Company may participate in ownership of a jointly controlled entity, which is a corporation, partnership or other entity in which each venturer holds an interest. A jointly controlled entity operates in the same way as other entities, except that a contractual arrangement established joint control. A jointly controlled entity controls the assets of the joint venture, earns its own income and incurs its own liabilities and expenses. Interest in jointly controlled entities are accounted for using the equity method.

Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the joint venture. Any goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. The statement of comprehensive loss reflects the Company's share of the results of operations of the joint venture. Where there has been a charge recognized directly in the equity of the joint venture, the Company recognizes its share of the charge directly in the statement of changes in equity.

f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Depreciation is provided at rates calculated to write off the cost of the asset over their estimated useful lives. Depreciation is calculated on a straight-line basis over five years.

g) Asset retirement and environmental obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As of January 31, 2012, the Company does not have any asset retirement or environmental obligations.

h) Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets and property, plant and equipment) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

i) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term highly liquid interest bearing investments that are readily convertible into cash with a remaining term to maturity of 90 days or less when acquired.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

j) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the *Black-Scholes Option Pricing Model* which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

k) Income taxes

Current income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

l) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the parent company, Aldershot, is the Canadian dollar ("CAD") and the functional currency of its operating subsidiary, Royal USA, is the United States dollar ("USD"). The other subsidiaries are inactive. The consolidated financial statements are presented in Canadian dollars which is the Company's presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

l) Foreign currency translation – *Continued*

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of comprehensive loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction, whereas non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are recognized in the statement of comprehensive loss in the period in which they arise. When a gain or loss on non-monetary items is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on non-monetary items is recognized in the statement of comprehensive loss, any exchange component of that gain or loss is recognized in also recognized in the statement of comprehensive loss.

At the end of each reporting period, the subsidiaries translate their results and financial position into the presentation currency of the Canadian parent's presentation currency of the Canadian dollar. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial period end. Income and expenses for each statement of loss and comprehensive income are translated at the average exchange rates. Equity transactions are translated using the exchange rate at the date of the transaction. All resulting exchange differences are recognized in the Company's foreign currency translation reserve in the statement of comprehensive loss. These exchange differences are recognized in the statement of loss in the period in which the operation is disposed of.

m) Loss per share

Loss per share is calculated based on the weighted average number of shares issued and outstanding during the year. In the years when the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same.

n) Financial instruments

Initial recognition and measurement
Financial assets and liabilities are initially recognized at fair value. Financial assets are classified at initial recognition as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The Company does not use any hedging instruments. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the reliability of the inputs used to estimate the fair values. 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; and
- Level 3—inputs that are not based on observable market data.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification. Financial assets at fair value through profit or loss includes financial assets held-for-trading which represent assets that are acquired for the purpose of selling or repurchasing in the near term. These financial assets are initially recorded in the statement of financial position at fair value with changes in fair value recognized in finance income or finance cost in the statement of comprehensive loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

n) Financial instruments – *Continued*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement at fair value, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Any amortization of the effective interest rate method and any impairment is recognized in finance income or finance cost in the statement of comprehensive loss.

Held-to-maturity investments represent assets to be held until a specific time period and are initially measured at fair value, including transaction costs. After initial measurement at fair value, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Any amortization of the effective interest rate method and any impairment is recognized in finance income or finance cost in the statement of comprehensive loss.

Available-for-sale financial assets are investments in equity instruments that are measured at fair value with gains and losses, net of applicable taxes, included in other comprehensive income until the asset is removed from the statement of financial position. Once this occurs, the resultant gains or losses are recognized in comprehensive loss. Any permanent impairment of available-for-sale financial assets is also included in the statement of comprehensive loss.

Financial liabilities are initially recorded at fair value and are designated as fair value through profit or loss or other financial liabilities. Derivative financial liabilities are classified as fair value through profit or loss and are initially recorded in the statement of financial position at fair value with changes in fair value recognized in finance income or finance cost in the statement of comprehensive loss. Non-derivative financial liabilities are recorded at amortized cost using the effective interest rate method. Any amortization of the effective interest rate method is recognized in finance cost in the statement of comprehensive loss.

Financial assets, others than those at fair value through profit and loss are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The amount of impairment loss is recognized in the statement of comprehensive loss. Any subsequent reversals of impairment is also recognized in the statement of comprehensive loss, except for those related to available-for-sale financial assets.

o) Accounting standards and interpretations issued but not yet effective

Certain accounting standards and interpretations are issued but which are not required to be adopted for the current reporting period. These are as follows:

Amendments to IFRS 7 "Financial Instruments: Disclosures"

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after July 1, 2011.

New standard IFRS 9 "Financial Instruments"

In November 2009, the IASB issued IFRS 9 which will replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. This new standard is effective for annual periods beginning on or after January 1, 2013.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

o) Accounting standards and interpretations issued but not yet effective – *Continued*

New standards IFRS 10 “Consolidated Financial Statements” and IFRS 12 “Disclosure of Interests in Other Entities”

In May 2011, the IASB issued IFRS 10 “Consolidated Financial Statements” and IFRS 12 “Disclosure of Interests in Other Entities”. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This IFRS defines the principle of control and establishes control as the basis for determining which entities are consolidated in an entity’s consolidated financial statements. IFRS 10 sets out three elements of control: a) power over the investee; b) exposure, or rights, to variable returns from involvement with the investee; and c) the ability to use power over the investee to affect the amount of the investors return. IFRS 10 sets out the requirements on how to apply the control principle. IFRS 12 outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity’s financial position, financial performance and cash flows. IFRS 10 and IFRS 12 supersede IAS 27 “Consolidated and Separate Financial Statements” and SIC-12 “Consolidation – Special Purpose Entities”.

IFRS 10 and IFRS 12 are effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 11 “Joint Arrangements”

In May 2011, the IASB issued IFRS 11 “Joint Arrangements”, which provides guidance on accounting for joint arrangements. If an arrangement has joint control, IFRS 11 classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved.

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities relating to the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties have rights to the net assets of the arrangement. A joint venture is accounted for using the equity method. Proportionate consolidation is no longer permitted.

This standard is effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 13 “Fair Value Measurement”

In May 2011, the IASB issued IFRS 13 “Fair Value Measurement”. This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement so assumptions that market participants would use should be applied in measuring fair value.

IFRS 13 is effective for annual periods on or after January 1, 2013. This IFRS is to be applied prospectively as of the beginning of the annual period in which it is initially applied and the disclosure requirements do not need to be applied in comparative periods before initial application.

Amendments to IAS 1 “Presentation of Financial Statements”

In June 2011, the IASB and the Financial Accounting Standards Board (FASB) issued amendments to standards to align the presentation requirements for other comprehensive income (“OCI”). The IASB issued amendments to IAS 1 “Presentation of Financial Statements” to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statements or two consecutive statements.

The amendments to IAS 1 are set out in *Presentation of Items of Other Comprehensive Income* and are effective for annual periods beginning on or after July 1, 2012.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

o) Accounting standards and interpretations issued but not yet effective – *Continued*

Interpretation 20—Stripping Costs in the Production Phase of a Surface Mine

In October 2011, the IASB issued an Interpretation clarifying the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how the assets should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after January 1, 2013.

The Company has not early-adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. ACQUISITION OF ROYAL USA

On March 7, 2011, the Company entered into an agreement with Royal Resources Limited ("Royal") to acquire all of the shares of its wholly-owned subsidiary, Royal USA Inc. ("Royal USA"), which owns uranium properties in the United States. Royal is a related company to Aldershot through directors in common. This agreement was subject to shareholder approval (received) and TSX-V approval (received) and the agreement closed on September 14, 2011. As consideration, the Company issued 35,000,000 common shares with a fair value of $1,225,000 and 31,609,667 warrants with a fair value of $480,448, which are exercisable at $0.10 per share. These warrants total the number of existing stock options, warrants and potential warrants that existed within the Company prior to the close of this agreement (the "original securities outstanding") and they expire at various times from July, 2012 to September, 2015 as outlined in notes 12, 14 and 15. The warrants issued to Royal may not be exercised prior to the exercise of an identical number of the original securities outstanding and expire when the original securities outstanding expire if not exercised.

In conjunction with this agreement, Royal provided funds totalling $1,500,000 pursuant to a private placement of 30,000,000 units at $0.05 per unit, each unit comprising one common share and one warrant, exercisable at $0.10 per share for a period of two years. In addition, another unrelated existing investor invested $150,000 on the same terms as noted above, which resulted in the total private placement raising $1,650,000 through the issuance of 33,000,000 units at $0.05 per unit, each unit comprising one common share and one warrant, exercisable at $0.10 per share for a period of two years.

The fair value of the assets received cannot be estimated reliably, so the amounts were calculated using the fair value of the instruments granted in accordance with IFRS 2 *"Share-based Payment".* The fair value of the common shares was calculated using the average trading stock price of Aldershot. The fair value of the 31,609,667 warrants issued for the acquisition of Royal USA was calculated using *the Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 1.12%; expected life of 3 years; volatility of 121% and dividend yield of 0.0%. The resultant value of $480,448 was credited to warrant reserve. The fair value of the 33,000,000 warrants issued in conjunction with the private placements has been calculated using *the Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 1.12%; expected life of 2 years; volatility of 121 % and dividend yield of 0%. The resultant value of $459,227 has been credited to warrant reserve.

(Expressed in Canadian dollars)

5. ACQUISITION OF ROYAL USA – *Continued*

The value of the consideration paid is summarized as follows:

	$
Common shares	1,225,000
Warrants	480,448
Total consideration	**1,705,448**

The allocation of the consideration to the fair values of the identifiable assets and liabilities of Royal USA acquired is as follows:

	$
Cash and cash equivalents	3,928
Trade and other receivables	4,096
Reclamation bonds and deposits	52,472
Property, plant and equipment	19,238
Investment in joint venture	1,687,455
Exploration and evaluation assets	807,395
	2,574,584
Trade and other payables	(83,452)
Amounts due to joint venture partner	(365,612)
Due to Aldershot Resources Ltd.	(420,072)
Net assets acquired	**1,705,448**

The transaction does not constitute a business combination as Royal USA does not meet the definition of a business under IFRS 3 *"Business Combinations"* and therefore has been accounted for as an asset acquisition. The results of operations of Royal USA have been included in these consolidated financial statements from the date of acquisition of September 14, 2011.

6. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	January 31, 2012	**January 31, 2011**	**February 1, 2010**
	$	**$**	**$**
Cash held at banks	415,499	41,705	46,521
Guaranteed investment certificates	-	80,000	141,000
	415,499	**121,705**	**187,521**

Cash held at banks earn no interest. The cash held in short-term investment certificates are generally invested for varying short-term periods of less than 90 days depending on the immediate cash requirements of the Company, and earn interest at short-term deposit rates.

7. TRADE AND OTHER RECEIVABLES

The Company had no trade receivables as at January 31, 2012, January 31, 2011 or February 1, 2010. Other receivables comprise amounts due from local governments for amounts related to local sales taxes, as well as an amount of $6,373 from a company related by directors in common for reimbursement of costs (Note 20). These amounts are non-interest bearing and are due within twelve months.

(Expressed in Canadian dollars)

8. PROPERTY, PLANT AND EQUIPMENT

	Office Furniture and Computers	Vehicles	Mining Equipment	TOTAL
	$	$	$	$
Cost:				
Balance, February 1, 2010	55,896	-	104,631	160,527
Additions	935	-	-	935
Balance, January 31, 2011	56,831	-	104,631	161,462
Additions	-	9,759	9,479	19,328
Disposals	(21,185)	-	(104,631)	(125,816)
Foreign currency translation	-	137	203	340
Balance, January 31, 2012	35,646	9,896	9,682	55,224
Accumulated Depreciation:				
Balance, February 1, 2010	43,079	-	68,629	111,708
Additions	5,308	-	10,801	16,109
Balance, January 31, 2011	48,387	-	79,430	127,817
Additions	2,072	2,452	3,879	8,403
Disposals	(16,813)	-	(80,714)	(97,527)
Balance, January 31, 2012	33,646	2,452	2,595	38,693
Net Book Value:				
At February 1, 2010	12,817	-	36,002	48,819
At January 31, 2011	8,444	-	25,201	33,645
At January 31, 2012	**2,000**	**7,444**	**7,087**	**16,531**

9. INVESTMENT IN JOINT VENTURE

The Company's 90% subsidiary owns 50% of a company, Colorado Plateau Partners LLC ("CPP"), which conducts exploration activities on mining properties, which it owns and are located in the United States. CPP is jointly controlled by the Company and another joint venture partner, and is therefore accounted for by the equity method. Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the joint venture.

The details of the Company's investment in the joint venture is as follows:

	January 31, 2012	January 31, 2011	February 1, 2010
	$	$	$
Value of joint venture on acquisition of Royal USA	1,687,455	-	-
Investments	111,792	-	-
Equity losses	(109,624)	-	-
Foreign currency translation	23,777	-	-
Investment in joint venture	**1,713,400**	**-**	**-**

(Expressed in Canadian dollars)

9. INVESTMENT IN JOINT VENTURE – *Continued*

Details of the Company's exploration activities conducted through this joint venture are outlined below.

United States

Sage Plain Area

CPP currently has properties in the Sage Plain area of Utah, consisting of leases and mining claims.

Crain Lease Area
Pursuant to a letter agreement dated July 28, 2011 between the Company's subsidiary and CPP's joint venture partner, the Company agreed to participate in this project by paying their 50% share of the costs of acquisition of this Crain Lease which amounted to $250,000 (paid). This Lease covers 640 acres in Utah, expires on April 18, 2015 and includes various royalties on any ore produced.

Calliham Lease Area
Pursuant to a letter agreement dated June 23, 2011 (amended September 12, 2011) between the Company's subsidiary and CPP's joint venture partner, the Company agreed to participate in this project by reimbursing the joint venture partner for 50% of the costs they had incurred on the Calliham Lease Area to date which totals $511,802 (USD $509,154). The Company is required to pay these costs by March 31, 2013 either by a cash payment or by paying the joint venturer partner's share of the qualifying expenditures as required. As of January 31, 2012, the Company owes $342,089 (USD $340,319) to the joint venture partner. On the initial acquisition of Royal USA the fair value of the amount owing to the joint venture partner was discounted using a discount rate of 15%, resulting in a value owing to the joint venture partner for accounting purposes of $365,612 (USD $368,821). As at January 31, 2012, the discounted amount owing to the joint venture partner is $287,578 (Note 13). The difference between the fair value for accounting purposes and the balance still remaining to be paid is amortized using the effective interest rate method over the period ending March 31, 2013.

Spud Patch Area

The properties in this area are in the Spud Patch area of Colorado and consist of leases and mining claims.

10. EXPLORATION AND EVALUATION ASSETS

United States

	Wray Mesa	Arizona Strip	Tallahassee Creek	Other	TOTAL
	$	$	$	$	$
Balance, February 1, 2010 and January 31, 2011	-		-	-	-
Value of properties on acquisition of Royal USA	430,592	225,000	121,352	30,451	807,395
Additions	-	-	-	-	-
Foreign exchange translation	6,038	3,155	1,702	426	11,321
Balance, January 31, 2012	**436,630**	**228,155**	**123,054**	**30,877**	**818,716**

10. EXPLORATION AND EVALUATION ASSETS – *Continued*

Details of the Company's exploration activities is outlined below.

United States

Wray Mesa Area

The Company owns leases and claims in the Uravan mineral belt area of the Colorado Plateau.

Arizona Strip Area

The Company, through its subsidiary, has entered into an agreement to earn a 50% interest in various joint venture properties owned by the Arizona Strip Partners Joint Venture by expending $1,909,880 (USD $1.9 million) on exploration costs over six years, expiring June 30, 2014. As of January 31, 2012, the Company has not met the requirements to earn its 50% interest.

Tallahassee Creek Area

The Company owns leases and claims in the Tallahassee Creek area of the Thirty Nine Mile Volcanic Field in Colorado.

Australia

Northern Territory

During the year ended January 31, 2010, the Company partnered with Royal, a related company that has a director in common with the Company, granting Royal the option to acquire a 60% interest in certain of the Company's licences in the Northern Territory. Under the terms of the agreement, Royal paid the Company $83,937 (Australian Dollars ("AUD") $100,000) and must spend at least AUD $900,000 (CAD $958,770) of exploration expenditures on the properties over a three year period. During the year ended January 31, 2012, Royal and the Company have agreed that Royal has met the expenditure requirements of the agreement and they have now earned their 60% interest. The Company must pay its pro-rata share of costs to retain its 40% ownership of the property.

The Company also retains a 2% net smelter royalty on the Mt. Thomas licence in the Northern Territory.

Western Australia—Yuinmery

During the year ended January 31, 2011, the Company entered into an agreement with Resource Star Ltd. ("RSL") granting RSL the option to acquire the Yuinmery licence for a total cash payment of AUD $60,000 (CAD $63,918) and the issuance of shares of RSL worth AUD $50,000 (CAD $53,265). Under the terms of the agreement, RSL paid the Company a non refundable option fee of $10,244 (AUD $10,000), which was recorded as a recovery of exploration costs. On June 7, 2011, RSL advised the Company that they do not intend to exercise this option. On October 20, 2011, the Company sold this licence to a different purchaser for a total cash payment of $62,178 (AUD $60,000).

Western Australia—Turee Creek

The Company is maintaining the licences in this area. Subsequent to the year-end, the Company entered into an agreement with Fortescue Metals Group Ltd. ("FMG") whereby FMG may acquire this licence for cash payments and undertaking exploration expenditures over a two year period as fully outlined in Note 26.

10. EXPLORATION AND EVALUATION ASSETS – *Continued*

Australia – *Continued*

South Australia

During the year ended January 31, 2011, the Company entered into an agreement with Strategic Minerals Corporation ("Strategic") whereby the Company may acquire a 70% interest in a mining licence in South Australia by spending Australian dollars ("AUD") $250,000 (CAD $266,325) in exploration expenditures over a two year period. On June 8, 2011, the Company notified Strategic that it was withdrawing from any further exploration work on this licence.

The Company has a total of $58,807 (January 31, 2011 - $8,914; February 1, 2010 - $12,284) in reclamation bonds and deposits lodged with local governments in regards to any potential reclamation costs that may arise.

Kariba Project, Republic of Zambia, Africa

The Company has been granted two prospecting licences in the southern part of the Republic of Zambia, on the northern shores of Lake Kariba. During the year ended January 31, 2010, the Company entered into an agreement with African Energy Resources Zambia Ltd. ("African Energy") granting African Energy the option to acquire an initial 51% interest in these two licences in Zambia. Under the terms of the agreement, African Energy must spend at least AUD $500,000 (CAD $532,650) of exploration expenditures on the properties over a three year period. During the year ended January 31, 2012, African Energy has advised the Company that they are not continuing exploration on these licences and are withdrawing from this agreement. The Company incurred no exploration expenditures on the Kariba Project during 2012 or 2011.

(Expressed in Canadian dollars)

10. EXPLORATION AND EVALUATION ASSETS – *Continued*

The following is a detailed analysis of the exploration and evaluation assets and the exploration expenses incurred by the Company as at January 31, 2012:

	United States				Australia	Totals	
	Wray Mesa	Arizona Strip	Tallahassee Creek	Other	South Australia, Northern Territory, Turee Creek , Yuinmery	Year ended January 31, 2012	Year ended January 31, 2011
	$	$	$	$	$	$	$
Exploration and evaluation assets							
Balance, beginning of year	-	-	-	-	-	-	-
Additions	430,592	225,000	121,352	30,451	-	807,395	-
Foreign currency translation	6,038	3,155	1,702	426	-	11,321	-
Balance, end of year	**436,630**	**228,155**	**123,054**	**30,877**	**-**	**818,716**	**-**
Exploration expenses							
Costs incurred during the year:							
Drilling costs	35,338	35,852	-	-	-	71,190	56,096
Equipment rental (recovery)	-	-	-	-	(1,061)	(1,061)	9,329
Field crew labour	-	-	-	-	-	-	9,696
Geochemical and assays	6,294	822	-	-	-	7,116	-
Geological consulting and costs	33,805	144,676	2,655	-	13,599	194,735	69,979
Geophysical and airborne survey	-	-	-	-	-	-	12,167
Maintenance, licence and staking fees	1,095	2,152	55	-	32,020	35,322	38,044
Maps and reproduction	-	-	-	-	-	-	762
Materials and field supplies	1,443	-	284	-	-	1,727	6,200
Meals and lodging	2,286	-	-	-	-	2,286	6,741
Telephone and communication	-	-	-	-	-	-	1,362
Travel and transport	1,832	525	-	-	-	2,357	10,824
	82,093	184,027	2,994	-	44,558	313,672	221,200
Recovery of costs during the year:							
Option payments and other	-	-	-	-	(62,178)	(62,178)	(10,244)
	-	-	-	-	(62,178)	(62,178)	(10,244)
Total Exploration Expenses	**82,093**	**184,027**	**2,994**	**-**	**(17,620)**	**251,494**	**210,956**

(Expressed in Canadian dollars)

11. TRADE AND OTHER PAYABLES

The components of trade and other payables is as follows:

	January 31, 2012	January 31, 2011	February 1, 2010
	$	$	$
Trade payables	100,103	9,047	18,432
Amounts due to related parties (Note 20)	63,544	11,645	2,804
Accrued liabilities	46,385	35,550	41,625
	210,032	**56,242**	**62,861**

These amounts are non-interest bearing and are normally settled within 90 day terms, with all amounts due within twelve months.

12. DEBENTURE PAYABLE

On July 9, 2010, the Company entered into a convertible debenture agreement for $100,000 with a company that has a director in common with the Company. The debenture is unsecured, bears interest at 10% per annum and is due on or before December 31, 2011. The debenture and any accrued interest owing is convertible into common shares of the Company at the lender's option at $0.10 per share. A total of 1,000,000 common shares may be issuable in conjunction with the conversion of this debenture.

Effective December 31, 2011, the Company and the debenture holder agreed to extend all terms of this debenture to March 31, 2012 and subsequent to the year-end, the terms of this debenture were further extended to September 30, 2012 (Note 26).

The fair value of the conversion feature of the debenture payable was determined using the residual method after deducting the fair value of the liability component. The liability component was determined to be $82,147 using a discount rate of 25%. The resultant value of the conversion feature was $17,853 and was credited to share-based payment reserve and was accreted over the original life of the debenture to December 31, 2011. The fair value of the extension of the convertible feature was calculated to be $281 using the residual method and charged to finance costs.

For the year ended January 31, 2012 $10,761 (year ended January 31, 2011 - $7,373) has been accreted and is included in finance costs, along with accrued interest expense for the year of $10,000 (year ended January 31, 2011 - $6,438) for a total finance cost of $20,761. The unpaid accrued interest payable totals $16,438 as of January 31, 2012 (January 31, 2011 - $6,438) and is included in trade and other payables. Subsequent to January 31, 2012, the Company repaid $15,605 of the unpaid interest.

13. DUE TO JOINT VENTURE PARTNER

	January 31, 2012	January 31, 2011	February 1, 2010
	$	$	$
Current portion of amounts due to joint venture partner	241,248	-	-
Long-term portion of amounts due to joint venture partner	46,330	-	-
	287,578	**-**	**-**

13. DUE TO JOINT VENTURE PARTNER – *Continued*

Pursuant to a letter agreement dated June 23, 2011(amended September 12, 2011) between the Company's subsidiary and CPP's joint venture partner, the Company agreed to participate in this project by reimbursing the joint venture partner for 50% of the costs they had incurred on the Calliham Lease Area to date which totals $511,802 (United States dollars "USD" $509,154). The Company is required to pay these costs by March 31, 2013 either by a cash payment or by paying the joint venturer partner's share of the qualifying expenditures as required. As of January 31, 2012, the Company owes $342,089 (USD $340,319) to the joint venture partner. On the initial acquisition of Royal USA the fair value of the amount owing to the joint venture partner was discounted using a discount rate of 15%, resulting in a value owing to the joint venture partner for accounting purposes of $365,612 (USD $368,821). As at January 31, 2012, the discounted amount owing to the joint venture partner is $287,578. The difference between the fair value for accounting purposes and balance still remaining to be paid is amortized using the effective interest rate method over the period ending March 31, 2013. For the year ended January 31, 2012, interest accretion included in finance costs totaled $20,777 (USD - $20,377). Of the total amount due to the joint venture partner, $241,248 is expected to be paid within the next twelve months and is therefore shown as a current liability in these consolidated financial statements. The amount is unsecured.

14. SHARE CAPITAL

Authorized
500,000,000 of common shares without par value.

Issued and outstanding

At January 31, 2012 there were 156,492,975 issued and fully paid common shares outstanding (January 31, 2011 – 88,492,975 and February 1, 2010 – 74,092,975).

Details of changes to share capital

(i) On March 19, 2010, the Company completed a 6,000,000 unit non-brokered private placement at $0.05 per unit for gross proceeds of $300,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 per share for five years until March 19, 2015. The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 2.59%; volatility 191.4%; dividend yield 0% and approximate expected lives of 5 years. The resultant value of $170,266 attributable to the warrants has been reclassified from share capital and credited to warrant reserve. A finder's fee of $2,600 was paid in conjunction with this private placement and was charged to share issue costs.

(ii) On September 23, 2010, the Company completed an 8,400,000 unit non-brokered private placement at $0.05 per unit for gross proceeds of $420,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 per share for two years until September 23, 2012. The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.42%; volatility 191.4%; dividend yield 0% and approximate expected lives of 2 years. The resultant value of $318,894 attributable to the warrants has been reclassified from share capital and credited to warrant reserve. A finder's fee of $18,000 was paid in conjunction with this private placement and was charged to share issue costs.

(Expressed in Canadian dollars)

14. SHARE CAPITAL – *Continued*

(iii) On September 14, 2011, the Company completed a 33,000,000 unit non-brokered private placement at $0.05 per unit for gross proceeds of $1,650,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10 per share for two years until September 14, 2013. The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.12%; volatility 121%; dividend yield 0% and approximate expected lives of 2 years. The resultant value of $459,227 attributable to the warrants has been reclassified from share capital and credited to warrant reserve. The Company incurred legal and filing fees of $19,700 in conjunction with this private placement which were charged to share issue costs.

(iv) On September 14, 2011 the Company issued 35,000,000 shares and 31,609,667 warrants to acquire all of the issued and outstanding shares of Royal USA (see Note 5 for further details). The Company valued the warrants issued for the acquisition of Royal USA using *the Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest approximate rate of 1.12%; expected life of 3 years; volatility of 121% and dividend yield of 0.0%. The resultant value of $480,448 has been credited to warrant reserve.

Stock options

The Company has established a Stock Option Plan (the "Plan") for directors, officers, employees and consultants. The number of common shares that are available for grants of options under the Plan shall not at any time exceed 10% of the number of outstanding common shares, calculated at the time of grant. Options granted under the Plan generally have a term of five years and vest on the date of the grant.

A summary of the continuity of the Company's stock options is as follows:

	January 31, 2012		January 31, 2011	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Options outstanding, beginning of period	8,410,000	0.10	5,560,000	0.10
Granted	-	-	4,000,000	0.10
Expired	(1,060,000)	0.10	(1,150,000)	0.10
Options outstanding and exercisable, end of period	7,350,000	0.10	8,410,000	0.10

No stock options were granted during the year ended January 31, 2012. During the year ended January 31, 2011, the Company granted 4,000,000 stock options to its directors, employees and consultants, which are exercisable at $0.10 per share and expire in 2015. The fair value of each stock option granted has been estimated as of the date of grant using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.42%; volatility 191.4%; dividend yield 0% and approximate expected lives of 5 years. The resultant value of $191,236 has been charged to stock-based compensation expense and share-based payment reserve.

The weighted average remaining life of the stock options is 2.88 years and they expire as follows: 1,050,000 in 2012, 2,300,000 in 2014 and 4,000,000 in 2015.

(Expressed in Canadian dollars)

15. WARRANTS

The warrant reserve comprises the fair value recognized on the date of issue and on the date of modification of outstanding warrants. On expiry, the amount recorded is transferred to the share-based payment reserve.

On February 19, 2010 the Company received approval from the TSX-V to modify the exercise price of warrants totaling 18,518,519 from their original price of $0.42 per share to $0.10 per share. The fair value of the modification of these warrants has been estimated using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate – 1.24%; volatility – 191.4%; dividend yield – 0% and approximate expected lives – 2 years. The resultant value of $182,659 has been charged to the accumulated deficit and warrant reserve.

On May 17, 2011 the Company received approval from the TSX-V to modify the term of the expiry date of 8,859,667 warrants from June 1, 2011 to June 1, 2014. The fair value of the modification of these warrants has been estimated using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate – 1.57%; volatility – 121%; dividend yield – 0% and approximate expected lives – 3 years. The resultant value of $200,385 has been charged to the accumulated deficit and warrant reserve.

A summary of the continuity of the Company's warrants is as follows:

	January 31, 2012		**January 31, 2011**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		**$**
Warrants outstanding, beginning of year	41,778,186	0.10	27,378,186	0.09
Granted	64,609,667	0.10	14,400,000	0.10
Expired	(18,518,519)	0.10	-	-
Warrants outstanding, end of year	87,869,334	0.10	41,778,186	0.10

16. SHARE-BASED PAYMENT RESERVE

The Company's share-based payment reserve is comprised of the following:

	$
Expired:	
Warrants	3,564,468
Stock options	1,268,213
Unexpired stock options	1,066,902
Unexpired conversion feature of debenture payable	17,853
Unexpired value of extension of conversion feature of debenture payable	281
Balance, January 31, 2012	**5,917,717**

(Expressed in Canadian dollars)

17. INCOME TAXES

A reconciliation of current taxes at the statutory tax rates with the reported taxes is as follows based on an income tax rate of 26.38% (2011 – 28.33%):

	January 31, 2012	**January 31, 2011**
	$	**$**
Net loss for the year	(910,360)	(1,059,251)
Expected tax recovery at statutory rates	(240,153)	(300,086)
Decrease (increase) resulting from:		
Permanent differences	(23,161)	50,910
Income tax rate changes	13,775	19,514
Change in valuation allowance	366,904	156,624
Expiration of loss carryforwards	-	71,490
Other	(117,365)	1,548
Income tax recovery	**-**	**-**

The significant components of the Company's deferred income tax assets are as follows:

	January 31, 2012	**January 31, 2011**	**February 1, 2010**
	$	**$**	**$**
Non-capital losses carried forward	2,395,215	1,176,143	1,099,345
Investment in joint venture	129,065	-	-
Exploration and evaluation assets	2,277,567	2,281,742	2,353,085
Other	58,402	72,290	92,150
Total	4,860,249	3,530,175	3,544,580
Royal USA deferred tax assets not recognized	(963,170)	**-**	**-**
Valuation allowance	(3,897,079)	(3,530,175)	(3,544,580)
Deferred tax assets	**-**	**-**	**-**

Management has determined that the realization of these deferred income tax assets is uncertain at this time, and cannot be viewed as more likely than not. Accordingly, the Company has not recognized the potential deferred income tax assets.

(Expressed in Canadian dollars)

17. INCOME TAXES – *Continued*

The following summarizes the expiry of deductible temporary differences for which no deferred tax asset has been recognized.

	Canadian non-capital losses	Canadian equipment and resource pools	United States non-capital losses*	United States resource pools	Canadian Share issue costs**
	$	$	$	$	$
2015	374,925				
2016	667,130				
2027	767,212				
2028	1,242,423				
2029	632,632		455,491		
2030	460,002		1,043,952		
2031	560,953		1,071,415		
2032	571,392		498,169		
No expiry	-	9,268,816	-	381,328	42,250
	5,276,669	9,268,816	3,069,027	381,328	42,250

*Substantially all of these losses are restricted as to the amount which can be recognized in any particular year.

**Share issue costs are charged as a deduction in the determination of income or loss for tax purposes over a period of five years.

18. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year. The basic and diluted loss per share are the same since the Company reported a loss for the year.

	January 31, 2012	January 31, 2011
	$	$
Net loss attributable to equity holders of the Company	(898,873)	(1,059,251)
Weighted average number of ordinary shares outstanding	114,388,865	82,312,153
Basic and diluted loss per share	(0.01)	(0.01)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

19. COMMITMENTS

The Company has an operating lease for premises rentals expiring on May 31, 2012 for $1,005 per month (USD $1,000 per month).

The Company has commitments relating to its exploration and evaluation assets as outlined in Notes 9 and 10.

(Expressed in Canadian dollars)

20. RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with management, directors, officers or companies which have directors in common, or in which the directors have significant influence and interests.

Key management personnel compensation

	Year ended January 31	
	2012	**2011**
	$	**$**
Compensation of directors		
Short-term benefits	10,000	10,000
Share-based payments	-	57,360
	10,000	67,360
Compensation of key management personnel		
Short-term benefits	208,569	157,426
Share-based payments	-	58,555
	208,569	215,981
Total remuneration of directors and key management personnel	**218,569**	**283,341**

Related party transactions

	Year ended January 31	
	2012	**2011**
	$	**$**
Exploration and evaluation expenses		
Geological consulting	17,845	45,828
Consulting, administrative and directors' fees	19,823	10,000
General and administrative	4,778	14,883
Finance costs	20,761	13,812
Proceeds on sale of property, plant and equipment	25,637	-
Interest, rentals and other income	10,451	17,389
Total trading transactions with related parties	**99,295**	**101,912**

Related party balances

The following amounts due to and from related parties are as follows:

	January 31, 2012	**January 31, 2011**	**February 1, 2010**
	$		**$**
Trade and other payables	63,544	11,645	2,804
Debenture payable (Note 12)	100,000	89,520	-
Total amounts due to related parties	**163,544**	**101,165**	**2,804**
Trade and other receivables	6,373	-	-
Total amounts due from related parties	**6,373**	**-**	**-**

(Expressed in Canadian dollars)

20. RELATED PARTY TRANSACTIONS - *Continued*

The amounts due to or from related parties represent amounts due to directors and officers or companies which have directors in common, or in which the directors have significant influence and interests. These amounts are non-interest bearing, unsecured and are due within the next twelve months. The terms of the debenture payable are outlined in Note 12.

In addition, the Company acquired Royal USA from Royal, which is a company related by directors in common. All of the details concerning this acquisition are outlined in Note 5.

The Company has a Management Agreement with its Chief Executive Officer which provides for termination pay equivalent to six months' salary for every year of service from 2001.

21. SEGMENTED INFORMATION

The Company has one business segment being the exploration and evaluation of mineral resources. The Company is organized by geographic area and as such, its reportable operating segments are located in Canada, United States and Australia.

Information regarding the Company's geographic segments are as follows:

As at January 31, 2012

	Canada	United States	Australia	Total
	$	$	$	$
Reclamation bonds and deposits	-	48,154	10,653	58,807
Property, plant and equipment	-	14,531	2,000	16,531
Investment in joint venture	-	1,713,400	-	1,713,400
Exploration and evaluation assets	-	818,716	-	818,716
Total non-current assets	**-**	**2,594,801**	**12,653**	**2,607,454**

As at January 31, 2011

	Canada	United States	Australia	Total
	$	$	$	$
Reclamation bonds and deposits	-	-	8,914	8,914
Property, plant and equipment	3,753	-	29,892	33,645
Total non-current assets	**3,753**	**-**	**38,806**	**42,559**

(Expressed in Canadian dollars)

21. SEGMENTED INFORMATION – *Continued*

As at February 1, 2010

	Canada	United States	Australia	Total
	$	**$**	**$**	**$**
Reclamation bonds and deposits	-	-	12,284	12,284
Property, plant and equipment	4,660	-	44,159	48,819
Total non-current assets	**4,660**	**-**	**56,443**	**61,103**

22. NON-CASH TRANSACTIONS

During the year ended January 31, 2012, the Company issued shares and warrants to acquire Royal USA, which were valued at $1,705,448, representing the total consideration paid for Royal USA. The details of this transaction are outlined in Note 5. There were no non-cash transactions during the year ended January 31, 2011.

23. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern, while supporting the Company's business and maximizing the return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity attributable to owners of the parent comprised of share capital, stock options and warrants.

The Company's principle activities are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. In order to facilitate the management of capital and exploration of its mineral properties, the Company needs to raise capital as and when required to complete its projects and for working capital. The sources of future funds presently available to the Company are through the issuance of new share capital, through the issue of debt instruments to related parties, through the exercise of stock options and/or warrants or through divestiture of certain assets. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to arrange additional financing, when required, on terms satisfactory to the Company.

Management forecasts its financing requirements in advance and they review their capital management approach on an ongoing basis and believes that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity.

The Company's overall strategy remains unchanged from the prior period. The Company is in compliance with the terms of the debenture payable as outlined in Note 12, except that interest is not being paid quarterly, which requirement has been waived by the debenture holder. The accrued interest payable was substantially paid subsequent to the year-end. The Company is not subject to any other externally imposed capital requirements.

24. RISK MANAGEMENT

The Company operates in the mining industry and faces a number of risks that could adversely affect the Company's operations. These risks include industry risk, credit risk, liquidity risk, interest rate risk, foreign currency risk, commodity price risk. Management reviews and develops policies for managing each of these risks which are summarized below.

Industry Risk
The Company is engaged primarily in the mineral exploration field, which is subject to inherent risks of success as well as compliance with environmental, political and regulatory requirements. The Company is potentially at risk for environmental reclamation obligations associated with resource property interests. As well, the Company operates in foreign countries and is subject to local political risks, as well as local regulatory requirements regarding ownership and maintenance of mineral licences. Management is of the opinion that they have the expertise to address these risks and makes all efforts to conduct their business in compliance with local industry standards, however environmental and local industry laws and practices are complex, and there is no certainty that all exposure to liability or costs have been mitigated.

Credit Risk
Credit risk is the risk of loss associated with a counter-party's ability to fulfill its payment obligations. The Company's primary exposure to credit risk is attributable to its cash and cash equivalents, as well as other receivables. This risk relating to cash and cash equivalents is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. Other receivables primarily comprise local sales taxes due from governmental agencies and amounts due from related parties for reimbursement of costs and rentals, as such, management considers the risk with their collection minimal. The amount due from related party was collected subsequent to the year-end. The cash and cash equivalents is invested in short-term investment certificates for periods less than 90 days and the trade and other receivables are due in less than 90 days.

Liquidity Risk
Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash in order to meet its liquidity requirements and to forecast cash requirements in advance of their requirements. As discussed previously in Note 23, the Company currently does not have a source of operating cash flow and must raise funds for its exploration and evaluation programs and for general working capital. There are risks associated with raising the funds required, and there can be no assurances that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. The Company is in compliance with its obligations to repay the debenture as outlined in Note 12, except that interest is not being paid quarterly, which requirement has been waived by the debenture holder. The accrued interest payable was substantially paid subsequent to the year-end. The Company's trade and other payables are generally due within 90 days, with all amounts due within twelve months.

Interest Rate Risk
Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents which represent excess cash invested in short-term investments and these accrue interest at variable market rates, as well as interest rates associated with the debenture payable. The Company monitors their short-term investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. The interest on the debenture is a fixed rate of 10% and the Company believes that this is reasonable given the nature of the risk associated with the repayment of this amount to the debenture holder. The Company also mitigates the interest rate risk on financings by offering non-cash options and conversion features to purchase common shares of the Company in conjunction with any financing undertaken. If interest rates increased or decreased by 0.5%, the loss for the year would be higher or lower by $294 (January 31, 2011 - $445). The Company has no fluctuating interest-bearing liabilities, since the debenture payable is at a fixed rate of 10%.

(Expressed in Canadian dollars)

24. RISK MANAGEMENT – *Continued*

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada, United States and Australia and portions of its expenditures are incurred in USD and AUD. The Company's presentation currency is the CAD and its operating subsidiary in the United States has a functional currency of USD.

The Company manages its foreign currency risk by matching receipts and payments in the same currency where possible, but not all of its expenditures can be matched as the Company has no current source of operating cash flow and so must fund the currency as required to pay the expenditures. Consequently, the Company is exposed to changes in CAD compared to the USD and the AUD and a significant fluctuation in the exchange rates could have an effect on the Company's results of operations, financial position or cash flows. The Company does not engage in any hedging activities to reduce its foreign currency risk, but does manage the currency of its cash resources to complement the denomination of the expenditures required.

The Company is exposed to currency risk through the following CAD equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars:

	January 31, 2012	January 31, 2011	February 1, 2010
	$	$	$
Cash and cash equivalents	377,587	28,787	23,551
Trade and other receivables	6,373	4,144	741
Prepaid expenses and deposits	1,558	-	-
Reclamation bonds	58,807	8,914	12,284
Trade and other payables	(155,560)	(12,720)	(25,649)
Due to joint venture partner	(287,578)	-	-
	1,187	**29,125**	**10,927**

Based on the above net exposures at January 31, 2012, a 10% depreciation or appreciation in the USD or AUD dollar against the CAD dollar would result in a $119 (January 31, 2011 – $2,913; February 1, 2010 - $1,093) increase or decrease in the Company's comprehensive loss and foreign currency translation reserve.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily uranium) to determine the appropriate course of action to be taken by the Company.

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, deposits, reclamation bonds, trade and other payables, debenture payable and amounts due to joint venture partner. Cash and cash equivalents, deposits and reclamation bonds are measured at face value, representing fair value, and are classified as fair value through profit and loss. Their fair value is in accordance with "Level 1", unadjusted quoted prices in active markets for identical assets. Trade and other receivables are designated as loans and receivables. Trade and other payables, debenture payable and the amounts due to joint venture partner are designated as other financial liabilities.

25. INITIAL ADOPTION OF IFRS

The Company adopted IFRS effective February 1, 2011 and as required by IFRS 1 "*First-time Adoption of International Financial Reporting Standards",* retroactively restated its financial position and results of operations from the previous accounting basis of Canadian Generally Accepted Accounting Principles ("GAAP") to its opening transitional statement of financial position at February 1, 2010 (the "Transition Date"). The comparative amounts for 2010 are also converted to IFRS for comparative purposes.

IFRS 1 sets forth guidance for the initial adoption of IFRS and outlines optional exemptions that may be adopted on the first-time adoption of IFRS. Under IFRS 1, the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to the statement of financial position taken to deficit unless certain exemptions are applied. The Company has applied the following optional transition exemptions:

- The Company has applied the exemption that relates to cumulative translation differences on translation of foreign operations to its opening statement of financial position as of February 1, 2010. IFRS 1 allows a first-time adopter to elect not to calculate the translation difference related to foreign operations retrospectively. Instead, an entity may reset translation differences at the date of transition, determined in accordance with Canadian GAAP, to zero. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before the date of transition to IFRS will not affect the gain or loss on disposal of the foreign operation.
- The Company has applied the exemption that relates to share-based payments, wherein IFRS 1 allows a first-time adopter to elect not to apply the guidelines provided for by IFRS 2 to equity instruments that were granted on or before November 7, 2002 or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to February 1, 2010, which have been accounted for in accordance with Canadian GAAP.
- The Company has applied the exemption that relates to business combinations, wherein IFRS 1 allows a first-time adopter to elect not to apply the guidelines of IFRS 3 to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before February 1, 2010.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of comprehensive loss, statement of financial position, statement of changes in equity and statement of cash flows have been reconciled with those presented under IFRS, as at the Transition Date with the resulting differences explained.

(Expressed in Canadian dollars)

25. INITIAL ADOPTION OF IFRS – *Continued*

The Canadian GAAP statement of financial position has been reconciled to IFRS as at January 31, 2011 and February 1, 2010 as follows:

		January 31, 2011			February 1, 2010		
	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
		$	$	$	$	$	$
Cash and cash equivalents		121,705	-	121,705	187,521	-	187,521
Trade and other receivables		12,356	-	12,356	1,705	-	1,705
Prepaid expenses and deposits		13,317	-	13,317	7,469	-	7,469
Total current assets		147,378	-	147,378	196,695	-	196,695
Reclamation bonds		8,914	-	8,914	12,284	-	12,284
Property, plant and equipment		33,645	-	33,645	48,819	-	48,819
Total non-current assets		42,559	-	42,559	61,103	-	61,103
TOTAL ASSETS		**189,937**	**-**	**189,937**	**257,798**	**-**	**257,798**
Trade and other payables		56,242	-	56,242	62,861	-	62,861
Debenture payable		89,520	-	89,520	-		-
Total current liabilities		145,762	-	145,762	62,861	-	62,861
Equity							
Share capital		12,441,509	-	12,441,509	12,231,269	-	12,231,269
Warrant reserve	Note below	-	4,204,169	4,204,169	-	3,532,350	3,532,350
Share-based payment reserve	Note below	6,602,284	(4,204,169)	2,398,115	5,721,376	(3,532,350)	2,189,026
Accumulated deficit		(18,999,618)	-	(18,999,618)	(17,757,708)	-	(17,757,708)
Total equity		44,175	-	44,175	194,937	-	194,937
TOTAL LIABILITIES AND EQUITY		**189,937**	**-**	**189,937**	**257,798**	**-**	**257,798**

(Expressed in Canadian dollars)

25. INITIAL ADOPTION OF IFRS – *Continued*

There are no changes between the equity reported under Canadian GAAP to the equity reported under IFRS as noted below:

	January 31 2011	February 1 2010
	$	$
Equity previously reported under Canadian GAAP	44,175	194,937
Changes on conversion to IFRS	-	-
Equity reported under IFRS	**44,175**	**194,937**

There are no changes to the statement of comprehensive loss reported under Canadian GAAP to the statement of comprehensive loss reported under IFRS for the year ended January 31, 2011.

	Year ended January 31, 2011		
	Canadian GAAP	Effect of transition to IFRS	IFRS
	$	$	$
Expenses	(1,060,797)	-	(1,060,797)
Operating loss	(1,060,797)	-	(1,060,797)
Other items	1,546	-	1,546
Net loss	(1,059,251)	-	(1,059,251)
Comprehensive loss	**(1,059,251)**	**-**	**(1,059,251)**

Note describing changes in tables above:

> This is a reclassification only between equity accounts from contributed surplus, the Canadian GAAP term used for this account, to share-based payment reserve or warrant reserve accounts, the IFRS terms for these accounts.

The adoption of IFRS has had no impact on the net cash flows of the Company. The changes made to the statements of financial position have resulted from terminology only and do impact the statement of cash flows. Since there have been no changes to the net operating, investing and financing cash flows previously reported, no reconciliations have been presented.

26. EVENTS AFTER THE REPORTING PERIOD

The following events occurred after the year ended January 31, 2012:

a) On March 23, 2012 the Company agreed to grant FMG an option to acquire the Turee Creek licence by the payment of a non-refundable amount of $260,900 (AUD $250,000) which grants them the exclusive right to evaluate the licence for a period of two years by undertaking a specified exploration program. At the end of this two year period, FMG may exercise the option to acquire the licence by a further cash payment of $313,080 (AUD$300,000).

b) Effective March 31, 2012, the debenture holder agreed to extend the terms of the debenture to September 30, 2012. Substantially all of the accrued interest owing was paid to the debenture holder.

c) On April 10, 2012 the Company acquired all of the shares of Royal Uranium Inc. Limited, a 100% owned subsidiary of Royal for cash proceeds of $160,448 (USD $160,000). To finance this acquisition, the Company entered into a loan agreement with Royal to borrow $174,896 (AUD $170,000). The loan is unsecured, due on demand and bears interest at the Australian 90 day Bank Bill Swap Rate ("BBSW"—i.e., the Australian wholesale interbank rate which was approximately 4% on April 10, 2012), plus 4%. This acquisition is subject to approval from the TSX-V.