

BRS VENTURES LTD.
(A Capital Pool Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
For the three and six months ended April 30, 2012 and 2011

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BRS VENTURES LTD.
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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of the Company and all information contained in the second quarter 2012 report have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the condensed interim financial statements and related financial reporting matters.

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

BRS VENTURES LTD.
(A Capital Pool Company)
Condensed Interim Statements of Financial Position
(unaudited)

| | Notes | April 30, 2012 \$ | October 31, 2011 \$ |
|---|-------|-------------------------|---------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | | 182,287 | 97,327 |
| HST recoverable | | 14,225 | 8,692 |
| Other assets | | 1,026 | 3,373 |
| | | 197,538 | 109,392 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 4 | 17,536 | 306,548 |
| EQUITY (DEFICIENCY) ATTRIBUTABLE TO SHAREHOLDERS | | | |
| Share capital | 3 | 988,145 | 490,900 |
| Subscriptions received | 3(b) | - | 91,667 |
| Contributed surplus | | 92,150 | 92,150 |
| Deficit | | (900,293) | (871,873) |
| Total equity (deficiency) attributable to shareholders | | 180,002 | (197,156) |
| | | 197,538 | 109,392 |

Organization and nature of operations (Note 1)

Approved by the Board of Directors

_____"Barry Girling"_____
Director

_____"Robert McMorran"_____
Director

BRS VENTURES LTD.
(A Capital Pool Company)
Condensed Interim Statements of Comprehensive Loss
For the three and six months ended April 30, 2012 and 2011
(unaudited)

| | Notes | Three months ended | | Six months ended | |
|--|-------|--------------------|-------------------|------------------|-------------------|
| | | 2012 | April 30, 2011 | 2012 | April 30, 2011 |
| | | \$ | \$ | \$ | \$ |
| General and administrative expenses | | | | | |
| Accounting fees | 4 | 2,887 | 2,598 | 7,601 | 4,098 |
| Legal fees | | 1,199 | 18,208 | 10,244 | 34,568 |
| Listing fees | | 4,773 | 5,467 | 11,711 | 6,509 |
| Office and miscellaneous fees | | 42 | - | 322 | - |
| Loss before other items | | (8,901) | (26,273) | (29,878) | (45,175) |
| Gain on forgiveness of debt | | - | - | 1,458 | - |
| Net loss and comprehensive loss for the period | | (8,901) | (26,273) | (28,420) | (45,175) |
| Basic and diluted loss per share | | (0.00) | (0.01) | (0.00) | (0.02) |
| Weighted average number of shares outstanding | | 12,941,659 | 1,966,659 | 12,760,752 | 1,966,659 |

BRS VENTURES LTD.
(A Capital Pool Company)
Condensed Interim Statements of Changes in Equity (Deficiency)
For the six months ended April 30, 2012 and 2011
(unaudited)

| | Number of shares | Amount \$ | Subscriptions Received \$ | Contributed Surplus \$ | Deficit \$ | Total \$ |
|--------------------------------------|---------------------|--------------|---------------------------------|------------------------------|---------------|-------------|
| Balance, November 1, 2010 | 1,966,659 | 490,900 | - | 92,150 | (815,075) | (232,025) |
| Comprehensive loss for the period | - | - | - | - | (45,175) | (45,175) |
| Balance, April 30, 2011 | 1,966,659 | 490,900 | - | 92,150 | (860,250) | (277,200) |
| Subscriptions received | - | - | 91,667 | - | - | 91,667 |
| Comprehensive loss for the period | - | - | - | - | (11,623) | (11,623) |
| Balance, October 31, 2011 | 1,966,659 | 490,900 | 91,667 | 92,150 | (871,873) | (197,156) |
| Issued: | | | | | | |
| Pursuant to private placement | 10,000,000 | 500,000 | (91,667) | - | - | 408,333 |
| Finders' shares | 975,000 | 48,750 | - | - | - | 48,750 |
| Less: issue costs | | | | | | |
| - cash | - | (2,755) | - | - | - | (2,755) |
| - finders' shares | - | (48,750) | - | - | - | (48,750) |
| Comprehensive loss for the period | - | - | - | - | (28,420) | (28,420) |
| Balance, April 30, 2012 | 12,941,659 | 988,145 | - | 92,150 | (900,293) | 180,002 |

BRS VENTURES LTD.
(A Capital Pool Company)
Condensed Interim Statements of Cash Flows
For the six months ended April 30, 2012 and 2011
(unaudited)

| | 2012 | 2011 |
|---|------------------|----------------|
| | \$ | \$ |
| <hr/> | | |
| Cash flow provided by (used in) | | |
| Operating Activities | | |
| Net loss for the period | (28,420) | (45,175) |
| Add (deduct) non-cash items: | | |
| Gain on forgiveness of debt | (1,458) | - |
| Changes in non-cash working capital items | | |
| HST recoverable | (5,533) | 9,415 |
| Other assets | 2,347 | - |
| Accounts payable and accrued liabilities | (287,554) | 26,599 |
| | <u>(320,618)</u> | <u>(9,161)</u> |
| Financing Activities | | |
| Shares issued for cash, net of issue costs | 405,578 | - |
| Increase (decrease) in cash during the period | 84,960 | (9,161) |
| Cash – beginning of the period | 97,327 | 25,820 |
| Cash – end of the period | <u>182,287</u> | <u>16,659</u> |
| Cash paid during the period for: | | |
| Interest | - | - |
| Income taxes | - | - |
| Non-cash transaction (Note 5) | | |

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Notes to the Condensed Interim Financial Statements

For the three and six months ended April 30, 2012 and 2011

(unaudited)

1. ORGANIZATION AND NATURE OF OPERATIONS

BRS Ventures Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007. The Company is classified as a capital pool company as defined by TSX Venture Exchange Policy 2.4 ("Policy 2.4"). The Company's objective is to complete a Qualifying Transaction ("QT") as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals. The Company is currently trading on the NEX board of the TSX Venture Exchange (the "Exchange") under the trading symbol "BRV.H".

2. BASIS OF PRESENTATION AND ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Statement of compliance and conversion to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 and IFRS 1. Subject to certain transition elections disclosed in Note 7, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at October 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 7 discloses the impact of the transition to IFRS on the Company's reported statements of financial position, statements of comprehensive loss and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended October 31, 2011. Comparative figures for fiscal 2011 in these financial statements have been restated to give effect to these changes.

Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles prior to convergence to IFRS ("Canadian GAAP").

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of June 13, 2012, the date the Board of Directors approved the statements. Any subsequent changes to IFRS, that are given effect in the Company's annual financial statements for the year ending October 31, 2012 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended October 31, 2011, and the Company's condensed interim financial statements for the three months ended January 31, 2011 prepared in accordance with IFRS applicable to interim financial statements.

Basis of presentation

The Company's condensed interim financial statements have been prepared on the historical cost basis. The comparative figures presented in these condensed interim financial statements are in

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(A Capital Pool Company)

Notes to the Condensed Interim Financial Statements

For the three and six months ended April 30, 2012 and 2011

(unaudited)

accordance with IFRS and any changes from figures previously reported under Canadian GAAP have been disclosed in Note 7.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Financing:

During the six months ended April 30, 2012:

- (i) On November 4, 2011, the Company completed a private placement of 10,000,000 common shares at \$0.05 per share for gross proceeds of \$500,000. In connection with the private placement, the Company incurred cash issue costs of \$2,755. The Company also issued 975,000 finder's shares with the same terms as the private placement shares. The finder's shares have a fair value of \$48,750.

At October 31, 2011, the Company had received \$91,667 of shares subscriptions in connection with the private placement.

c) Share Consolidation:

Effective November 2, 2011, the Company consolidated its common shares on the basis of one (1) new common share for every three (3) old common shares issued and outstanding at that time. All references to share and per share amounts have been retroactively restated to reflect the share consolidation.

d) Options:

The Company has established a stock option plan in accordance with the policies of the Exchange pursuant to which the Company is authorized to grant share purchase options up to 10% of its outstanding shares. The exercise price of options granted equals the market price of the Company's stock on the date of the grant. The options are for a maximum term of five years.

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A summary of the status of the Company's stock option plan as of April 30, 2012, October 31, 2011 and November 1, 2010 and the changes during the periods ended April 30, 2012 and October 31, 2011 are presented below:

| | Number of options | Weighted average exercise price \$ |
|---|------------------------------|---|
| Balance outstanding and exercisable – April 30, 2012, October 31, 2011 and November 1, 2010 | 130,000 | 0.30 |

At April 30, 2012, the weighted average remaining contractual life of share purchase options outstanding was 0.83 years (October 31, 2011 – 1.33 years).

At April 30, 2012, share purchase options outstanding that entitled the holder thereof to acquire one share for each option held are as follows:

| Expiry Date | Exercise Price \$ | Number of Options |
|--------------------|----------------------------------|------------------------------|
| February 28, 2013 | 0.30 | 130,000 |

e) Escrow shares:

Of the issued and outstanding common shares at October 31, 2011 and 2010, 475,000 shares were held in escrow pursuant to the requirements of the Exchange. On November 4, 2011, 250,000 shares issued in conjunction with the 10,000,000 share private placement were placed into escrow. The total number of shares held in escrow at April 30, 2012 was 725,000 shares. The escrowed shares are to be released as to 10% on the completion of the Company's Qualifying Transaction and an additional 15% on each 6 month interval thereafter.

4. RELATED PARTY TRANSACTIONS

During the three months ended April 30, 2012, the Company incurred accounting fees of \$2,312 (2011 - \$nil) from a company controlled by a director of the Company.

During the six months ended April 30, 2012, the Company incurred accounting fees of \$7,026 (2011 - \$nil) from a company controlled by a director of the Company.

At April 30, 2012, accounts payable and accrued liabilities included \$1,789 (October 31, 2011 - \$nil) due to a company controlled by a director of the Company.

Key management includes the directors of the Company. The compensation paid or payable to key management for services during the six months ended April 30, 2012 was \$7,026 of accounting fees (2011 - \$nil).

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5. NON-CASH TRANSACTION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the cash flow statements. The following transaction was excluded from the statements of cash flows:

During the six months ended April 30, 2012, 975,000 finders' shares were issued at a fair value of \$48,750 pursuant to a private placement.

6. FINANCIAL INSTRUMENTS**Classification of Financial Instruments**

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is primarily held with the Bank of Montreal.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss is limited because at present the Company's liabilities are non-interest bearing or have fixed interest rates.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities.

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7. FIRST-TIME ADOPTION OF IFRS

The Company adopted IFRS on November 1, 2011 with the transition date of November 1, 2010 (the "Transition Date"). Under IFRS 1 'First-time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied. The Company has chosen to apply the following elections to:

- a) Not apply IFRS 2, 'Share-based Payments', to liabilities arising from share-based payment transactions that were settled before the Transition Date or to equity instruments fully vested before the Transition Date.

There were no material adjustments to the statements of financial position, statements of comprehensive loss, statements of changes in equity (deficiency) or the statements of cash flows on adopting IFRS as at November 1, 2010, as at April 30, 2011, as at October 31, 2011, for the three and six months ended April 30, 2011 or for the year ended October 31, 2011. Accordingly, no reconciliation schedules have been provided with these financial statements.