BRS VENTURES LTD.

(A Capital Pool Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
For the three months ended January 31, 2012 and 2011

BRS VENTURES LTD.
(A Capital Pool Company)

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 first 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	January 31, 2012 $	October 31, 2011 $	November 1, 2010 $
ASSETS				
Current assets				
Cash		219,583	97,327	25,820
HST recoverable		12,547	8,692	10,217
Other assets		833	3,373	-
Total assets		232,963	109,392	36,037
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	5	44,060	306,548	242,992
Deposit		-	-	25,070
Total liabilities		44,060	306,548	268,062
EQUITY (DEFICIENCY) ATTRIBUTABLE TO SHAREHOLDERS				
Share capital	4	988,145	490,900	490,900
Subscriptions received	4(b)	-	91,667	-
Contributed surplus		92,150	92,150	92,150
Deficit		(891,392)	(871,873)	(815,075)
Total equity (deficiency) attributable to shareholders		188,903	(197,156)	(232,025)
Total liabilities and equity (deficiency) attributable to shareholders		232,963	109,392	36,037

Organization and nature of operations (Note 1)

Approved by the Board of Directors

“Reg Allen” Director   “Robert McMorran” Director

BRS VENTURES LTD.

(A Capital Pool Company)
Condensed Interim Statements of Comprehensive Loss
For the three months ended January 31, 2012 and 2011
(unaudited)

	Notes	2012 $	2011 $
General and administrative expenses			
Accounting fees	5	4,714	1,500
Legal fees		9,045	16,360
Listing fees		6,938	1,042
Office and miscellaneous fees		280	-
Loss before other items		(20,977)	(18,902)
Gain on forgiveness of debt		1,458	-
Net loss and comprehensive loss for the period		(19,519)	(18,902)
Basic and diluted loss per share		(0.00)	(0.01)
Weighted average number of shares outstanding		12,583,779	1,966,659

BRS VENTURES LTD.

(A Capital Pool Company)

Condensed Interim Statements of Changes in Equity (Deficiency)

For the three months ended January 31, 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	-	-	-	-	(18,902)	(18,902)
Balance, January 31, 2011	1,966,659	490,900	-	92,150	(833,977)	(250,927)
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	-	-	-	-	(19,519)	(19,519)
Balance, January 31, 2012	12,941,659	988,145	-	92,150	(891,392)	188,903

The accompanying notes are an integral part of these condensed interim financial statements

BRS VENTURES LTD.

(A Capital Pool Company)
Condensed Interim Statements of Cash Flows
For the three months ended January 31, 2012 and 2011
(unaudited)

	2012 $	2011 $
Cash flow provided by (used in)		
Operating Activities		
Net loss for the period	(19,519)	(18,902)
Add (deduct) non-cash items:		
Gain on forgiveness of debt	(1,458)	-
Changes in non-cash working capital items		
HST recoverable	(3,855)	4,668
Other assets	2,540	-
Accounts payable and accrued liabilities	(261,030)	6,827
	(283,322)	(7,407)
Financing Activities		
Shares issued for cash, net of issue costs	405,578	-
Increase (decrease) in cash during the period	122,256	(7,407)
Cash – beginning of the period	97,327	25,820
Cash – end of the period	219,583	18,413
Cash paid during the period for:		
Interest	-	-
Income taxes	-	-

Non-cash transaction (Note 6)

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 8, 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 8 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 April 19, 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.

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 accordance with IFRS and any changes from figures previously reported under Canadian GAAP have been disclosed in Note 8.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed financial statements are as follows:

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through income or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through income and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive loss except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive loss.

De-recognition of financial assets and liabilities

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in income or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in income or loss.

Share capital

Common shares issued for non-monetary consideration are recorded at their fair market value based initially upon the trading price of the Company's shares on the Exchange on the date of the agreement to issue the shares or, for subsequent issues, the date of share issuance.

Costs incurred to issue shares are deferred until the shares are issued, at which time these costs are charged to share capital.

Share-based payments

The Company has established a stock option plan for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates.

The fair value of all stock options granted is recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus under the graded attribution method. The fair value, as adjusted for the expected level of vesting of the options, and of stock options which vest immediately is recorded at the date of grant; the fair value, as adjusted for the expected level of vesting of the options, and of options which vest in the future is recognized over the vesting period. Stock options granted to non-employees are measured at their fair value on the vesting date. Prior to the vesting date, the then-current fair value of stock options granted to consultants is recognized as share-based payment expense from the date of grant to the reporting date and credited to contributed surplus.

Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is estimated using the Black-Scholes option pricing model.

Income tax

Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable incomes will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Earnings (loss) per share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti dilutive. Basic and diluted loss per share are the same for the years presented.

For the three months ended January 31, 2012 and 2011, potentially dilutive common shares (relating to stock options outstanding) totalling 56,666 (2011 – 130,000) were not included in the computation of loss per share because their effect was anti-dilutive.

4. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Financing:

During the three months ended January 31, 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.

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

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

At January 31, 2012, the weighted average remaining contractual life of share purchase options outstanding was 1.00 years (October 31, 2011 – 1.33 years; November 1, 2010 – 2.33 years).

At January 31, 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 January 31, 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.

5. RELATED PARTY TRANSACTIONS

During the three months ended January 31, 2012, the Company incurred accounting fees of $4,714 (2011 - $nil) from a company controlled by a director of the Company.

At January 31, 2012, accounts payable and accrued liabilities included $4,160 (October 31, 2011 - $nil; November 1, 2010 - $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 three months ended January 31, 2012 was $4,714 of accounting fees (2011 - $nil).

6. 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 three months ended January 31, 2012, 975,000 finders' shares were issued at a fair value of $48,750 pursuant to a private placement.

7. FINANCIAL INSTRUMENTS

Management of Capital

The Company's objectives for the management of capital are to safeguard its ability to continue as a going concern including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and investment balances to cover operating costs over a reasonable future period, generally one to one and a half years. The Company accesses capital markets through equity issues as necessary and may also acquire additional funds where advantageous circumstances arise. Excess cash investments are restricted to bankers' acceptances of major Canadian banks or instruments of equivalent or better quality. The Company currently has no externally-imposed capital requirements except to maintain sufficient cash.

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.

8. 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 January 31, 2011, as at October 31, 2011, for the three months ended January 31, 2011 or for the year ended October 31, 2011. Accordingly, no reconciliation schedules have been provided with these financial statements.