

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)

Consolidated Financial Statements
March 31, 2011 and 2010

| <u>Index</u> | <u>Page</u> |
|---|--------------------|
| Independent Auditors' Report to the Shareholders | 1 |
| Consolidated Financial Statements | |
| Consolidated Balance Sheets | 2 |
| Consolidated Statements of Operations | 3 |
| Consolidated Statements of Shareholders' Equity | 4 |
| Consolidated Statements of Cash Flows | 5 |
| Notes to Consolidated Financial Statements | 6 – 19 |

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BLACKCOMB MINERALS INC.

We have audited the accompanying consolidated financial statements of Blackcomb Minerals Inc., which comprise the consolidated balance sheets as at March 31, 2011 and 2010, and the consolidated statements of operations, shareholders' equity and cash flows for the years then ended, 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 Canadian generally accepted accounting principles 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.

Auditors' 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 auditors' 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 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 Blackcomb Minerals Inc. as at March 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
August 4, 2011

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Consolidated Balance Sheets
March 31

| | 2011 | 2010 |
|--|--------------|--------------|
| Assets | | |
| Current | | |
| Cash | \$ 149,931 | \$ 89,187 |
| Short-term investment (note 3(b)) | 1,700,894 | 2,912,752 |
| Marketable securities (note 4) | 250,000 | 45,000 |
| Receivables | 19,834 | 39,742 |
| Loan receivable (note 6) | - | 253,950 |
| Prepaid expenses and deposits | 23,163 | 26,364 |
| Advances to related parties (note 11(a)) | 40,848 | 41,944 |
| | 2,184,670 | 3,408,939 |
| Equipment (note 7) | 10,632 | 15,192 |
| Mineral Properties (note 8) | - | 30,400 |
| | \$ 2,195,302 | \$ 3,454,531 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 81,924 | \$ 90,993 |
| Due to related parties (note 11(b)) | 15,812 | 3,765 |
| | 97,736 | 94,758 |
| Shareholders' Equity | | |
| Capital Stock (note 9) | 7,740,587 | 7,740,587 |
| Accumulated Other Comprehensive Income (Loss) | 125,000 | (80,000) |
| Deficit | (5,768,021) | (4,300,814) |
| | 2,097,566 | 3,359,773 |
| | \$ 2,195,302 | \$ 3,454,531 |

Approved by the Board:

"Minaz Devji"
..... Director
Minaz Devji

"Ross Wilmot"
..... Director
Ross Wilmot

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Consolidated Statements of Operations
Years Ended March 31

| | 2011 | 2010 |
|---|----------------|----------------|
| Expenses | | |
| Amortization | \$ 4,560 | \$ 6,500 |
| Consulting fees (note 11(f)) | 60,565 | 71,077 |
| Exploration (notes 8 and 11(c)) | 367,120 | 382,409 |
| Investor and public relations | 67,081 | 102,684 |
| Management fees (note 11(d)) | 120,000 | 130,000 |
| Office and miscellaneous | 109,761 | 75,841 |
| Professional fees | 84,686 | 117,306 |
| Rent (note 11(e)) | 72,000 | 76,780 |
| Repairs and maintenance | 8,591 | 11,656 |
| Travel and entertainment (note 11(a)) | 299,613 | 522,165 |
| | (1,193,977) | (1,496,418) |
| Other Items | | |
| Interest income | 14,683 | 33,087 |
| Foreign exchange loss | (3,563) | (19,813) |
| Allowance for impairment of loan receivable (note 6) | (253,950) | - |
| Write-off of mineral properties (note 8) | (30,400) | - |
| | (273,230) | 13,274 |
| Net Loss for the Year | (1,467,207) | (1,483,144) |
| Other Comprehensive Income | | |
| Unrealized gain on marketable securities (note 4) | 205,000 | 15,000 |
| Comprehensive Loss for the Year | \$ (1,262,207) | \$ (1,468,144) |
| Loss Per Share, basic and diluted | \$ (0.03) | \$ (0.03) |
| Weighted Average Number of Common Shares Outstanding | | |
| | 55,158,500 | 55,158,500 |

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Consolidated Statements of Shareholders' Equity
Years Ended March 31

| | 2011 | 2010 |
|---|---------------------|---------------------|
| Capital Stock | | |
| Issued and outstanding 55,158,500 shares of common stock | | |
| Balance, beginning and end of year | \$ 7,740,587 | \$ 7,740,587 |
| Accumulated Other Comprehensive Income (Loss) | | |
| Balance, beginning of year | (80,000) | (95,000) |
| Unrealized gain on available-for-sale securities (note 4) | 205,000 | 15,000 |
| Balance, end of year | 125,000 | (80,000) |
| Deficit | | |
| Balance, beginning of year | (4,300,814) | (2,817,670) |
| Net loss for the year | (1,467,207) | (1,483,144) |
| Balance, end of year | (5,768,021) | (4,300,814) |
| Total Shareholders' Equity | \$ 2,097,566 | \$ 3,359,773 |

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Years Ended March 31

| | 2011 | 2010 |
|---|--------------------|--------------------|
| Operating Activities | | |
| Net loss for the year | \$ (1,467,207) | \$ (1,483,144) |
| Items not involving cash | | |
| Amortization | 4,560 | 6,500 |
| Allowance for impairment of loan receivable | 253,950 | - |
| Write-off of mineral properties | 30,400 | - |
| Unrealized loss on foreign exchange | 309 | 6,079 |
| | (1,177,988) | (1,470,565) |
| Changes in non-cash working capital items | | |
| Accrued interest on short-term investment | 11,858 | 103,268 |
| Receivables | 19,908 | 2,904 |
| Prepaid expenses and deposits | 3,201 | 39,346 |
| Advances to related parties | 1,096 | (28,771) |
| Accounts payable and accrued liabilities | (9,069) | (29,390) |
| Due to related parties | 12,047 | 3,765 |
| Cash Used in Operating Activities | (1,138,947) | (1,379,443) |
| Investing Activities | | |
| Loan receivable | - | (253,950) |
| Redemption of short-term investments | 1,200,000 | 1,600,000 |
| Cash Provided By Investing Activities | 1,200,000 | 1,346,050 |
| Foreign Exchange Loss on Cash Held in Foreign Currency | (309) | (6,079) |
| Decrease (Increase) in Cash During the Year | 60,744 | (39,472) |
| Cash, Beginning of Year | 89,187 | 128,659 |
| Cash, End of Year | \$ 149,931 | \$ 89,187 |
| Supplemental Information | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for income taxes | \$ - | \$ - |

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

1. NATURE OF OPERATIONS

Blackcomb Minerals Inc. (the "Company") was incorporated in British Columbia on December 14, 2006. The Company's principal business activities include the acquisition and exploration of mineral properties. The Company is in the exploration stage and has not yet determined whether any of its properties contain ore reserves that are economically recoverable.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2011, the Company had working capital of \$2,086,934 (2010 - \$3,314,181) and an accumulated deficit of \$5,768,021 (2010 - \$4,300,814) since inception. The continuance of the Company's operations is dependent on obtaining sufficient additional financing. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The functional and reporting currency of the Company is the Canadian dollar.

(a) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiary, Blackcomb Minerals de Mexico S.A de C.V., a Mexican corporation, which was incorporated on July 13, 2007. All significant intercompany balances and transactions have been eliminated, upon consolidation.

(b) Equipment

Equipment is recorded at cost and amortized over its estimated useful life on the declining balance basis at the following annual rate:

| | |
|-------------------|-----|
| Computer hardware | 30% |
|-------------------|-----|

(c) Mineral Properties

The Company capitalizes acquisition costs related to investments in mineral properties on a property-by-property basis. Exploration costs are expensed as incurred. Mineral property acquisition costs are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, or the Company is not able to sell the property for an amount exceeding the acquisition cost, a provision is made for the impairment in value.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) **Mineral Properties (Continued)**

After a mineral property interest has been assessed as commercially feasible, expenditures specific to the property are capitalized. In deciding when a mineral property is likely to be commercially feasible, management may consider, among other factors, the results of pre-feasibility studies, detailed analysis of drilling results, the supply and cost of required labour and equipment, and whether necessary mining and environmental permits can be obtained.

These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received. When the amount of recoveries exceeds the total amount of capitalized costs of the property, the amount in excess of costs is recognized in income.

(d) **Use of Estimates**

The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include collectability of receivables, the recoverability of interests in mineral properties, the fair value of financial instruments, rates for amortization of equipment, balances of accrued liabilities and the determination of the valuation allowance for future income tax assets. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(e) **Loss Per Share**

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. As the Company has no outstanding options or warrants, diluted loss per share is equivalent to basic loss per share.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that enactment or substantive enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future income tax asset will be recovered, it provides a valuation allowance against the excess.

(g) Financial Instruments

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income (loss). Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value.

(h) Foreign Currency Translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Interest income and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange in effect at the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net income (loss).

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Future Accounting Pronouncements

(i) International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board confirmed that the transition to IFRS from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises, although the Company is not yet a publicly accountable enterprise, it will present IFRS financial statements for its June 30, 2011 interim consolidated financial statements. The effective date will require the restatement for comparative purposes of amounts reported by the Company for the interim periods and for the year ended March 31, 2011.

(ii) Business combinations

In January 2009, the Canadian Institute of Chartered Accountants issued Handbook Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred.

Section 1601, "Consolidated Financial Statements", establishes the standards for preparing consolidated financial statements.

Section 1602, "Non-Controlling Interests" establishes the standards for the accounting for non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the IFRS on consolidated and separate financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after April 1, 2011.

3. FINANCIAL INSTRUMENTS

The Company has classified its cash and short-term investment as held-for-trading; marketable securities as available-for-sale; receivables and advances to related parties as loans and receivables; and accounts payable and accrued liabilities and due to related parties as other financial liabilities.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

3. FINANCIAL INSTRUMENTS (Continued)

(a) **Fair Value**

The carrying values of accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments. The fair values of advances to related parties and due to related parties have not been disclosed as their fair values cannot be reliably measured since there are no quoted market prices for such instruments.

The Company's measurement of fair value of financial instruments at March 31, 2011 in accordance with the fair value hierarchy is as follows:

| | Total | Level 1 | Level 2 | Level 3 |
|-----------------------|---------------------|---------------------|----------------|----------------|
| Assets | | | | |
| Short-term investment | \$ 1,700,894 | \$ 1,700,894 | \$ - | \$ - |
| Marketable securities | 250,000 | 250,000 | - | - |
| | \$ 1,950,894 | \$ 1,950,894 | \$ - | \$ - |

The Company's short-term investment and marketable securities are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

(b) **Credit Risk**

The Company is exposed to credit risk with respect to its cash, short-term investment, and advances to related parties. This risk is minimized as the cash and short-term investment have been placed with a major Canadian financial institution. The advances to related parties are unsecured therefore a credit risk is involved.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

| | 2011 | 2010 |
|-----------------------|---------------------|---------------------|
| Bank accounts | \$ 149,931 | \$ 89,187 |
| Short-term investment | 1,700,894 | 2,912,752 |
| | \$ 1,850,824 | \$ 3,001,939 |

The short-term investment currently earns interest at a rate equal to the financial institution's prime rate less 1.80% and matures on March 14, 2012.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

3. FINANCIAL INSTRUMENTS (Continued)

(c) **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has sufficient cash and short-term investment at March 31, 2011, in the amount of \$1,850,825 (2010 - \$3,001,939), in order to meet short-term business requirements. At March 31, 2011, the Company had accounts payable and accrued liabilities of \$81,924 (2010 - \$90,993), and due to related parties of \$15,812 (2010 - \$3,765), which are due in the first quarter of fiscal 2012.

(d) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) **Interest rate risk**

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash and short-term investment consist of cash held in bank accounts and a guaranteed investment certificate. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of March 31, 2011. Future cash flows from interest income on cash and short-term investment will be affected by interest rate fluctuations. At March 31, 2011, a hypothetical change of 1% in the interest rate would have a \$17,000 effect on net loss and comprehensive loss.

(ii) **Foreign currency risk**

The Company's exposure to foreign currency risk is on its cash and accounts payable balances held in Mexican pesos and cash and prepaids denominated in US dollars. At March 31, 2011, a hypothetical change in the foreign exchange rate between the Canadian dollar and Mexican peso of 10% would have a \$5,000 effect on net loss and comprehensive loss. A hypothetical change in the foreign exchange rate between the Canadian dollar and US dollar of 10% would have a \$1,000 effect on net loss and comprehensive loss.

The Company has not entered into any foreign currency contracts or other derivative instruments to mitigate this risk.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

3. FINANCIAL INSTRUMENTS (Continued)

(d) **Market Risk (Continued)**

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk on its marketable securities to the extent of fluctuations in the current market prices of those securities, however the Company's exposure is not considered to be significant. A hypothetical change in the value of marketable securities of 10% would have a \$25,000 effect on comprehensive loss.

4. MARKETABLE SECURITIES

On May 22, 2008, pursuant to the terms of an option agreement with Canasil Resources Inc. ("Canasil") the Company participated in a private placement and purchased 500,000 common shares of Canasil for a total cost of \$125,000. The associated mineral properties were written off in 2008. The Company recorded an unrealized gain of \$205,000 (2010 - \$15,000) during the year due to an increase in the fair market value of the Canasil common shares.

The fair value of marketable securities at March 31, 2011 was determined to be \$250,000 (2010 - \$45,000) based on quoted market prices.

5. HARTLEY NORTHRIDGE PLATINUM PROJECT ("NORTHRIDGE")

On April 11, 2008, Cross Global Ltd., a private company ("Cross Global"), entered into a Joint Venture Agreement with Zimbabwe Mining Development Corporation ("ZMDC") for the joint exploration and development of Northridge, a platinum property located in the Kadoma Mining District of Zimbabwe.

The Joint Venture Agreement between ZMDC and Cross Global gives each party the option to earn a 50% interest in the joint venture. ZMDC can earn its 50% interest by contributing the Northridge property to the joint venture. Cross Global can earn its 50% interest by contributing cash to the joint venture in an amount based on the magnitude of the platinum reserve on the Northridge property, with US \$10 to be contributed per ounce of platinum.

On October 6, 2009, the Company entered into an assignment agreement (the "Assignment Agreement") with Cross Global to acquire all of Cross Global's rights and obligations pursuant to its Joint Venture Agreement with ZMDC. The effective date of the agreement would be the date upon which Cross Global and the Company receive the written consent of ZMDC to proceed with the assignment, as well as any other Zimbabwean government consent required.

As consideration for the assignment of Cross Global's participation in the Joint Venture Agreement, the Company agreed to pay Cross Global a total of US \$4,000,000, payable in installments as follows:

- (a) US \$2,000,000 on the effective date;
- (b) US \$1,000,000 within 6 months after the effective date;
- (c) US \$500,000 within 9 months after the effective date; and
- (d) US \$500,000 within 12 months after the effective date.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

5. HARTLEY NORTHRIDGE PLATINUM PROJECT (“NORTHRIDGE”) (Continued)

As further consideration for the assignment, the Company agreed to pay Cross Global up to an additional US \$8,000,000 in respect of “proven mineral reserves” as the term is defined in National Instrument 43-101 (“NI 43-101”), “Standards of Disclosure for Mineral Projects”. After a NI 43-101 compliant report is prepared for the Northridge property, the additional amount to be paid will be calculated as follows:

- (a) US \$1,000,000 if the NI 43-101 report indicates “proven mineral reserves” of at least 5,000,000 ounces of platinum; and
- (b) an additional US \$1,000,000 for each additional 1,000,000 ounces of platinum, up to a maximum of US \$7,000,000.

Under the terms of the Assignment Agreement, the maximum total consideration that the Company will pay Cross Global in combined payments is US \$12,000,000. The Company also agreed to pay a finder’s fee of US \$252,000 to an independent third party, payable in installments over 12 months from the effective date.

In the fourth quarter of 2010, the Company determined a more direct method of acquiring an interest in the Northridge property would be possible by purchasing all of the issued and outstanding shares of Cross Global. The Company entered into negotiations with the sole shareholder of Cross Global to acquire Cross Global with modified terms to provide for a loan as a prepayment on signing in the amount of US \$250,000, secured by the shares of Cross Global (note 6). The purchase agreement would also be contingent upon receiving written approval from ZMDC.

During the course of conducting due diligence, in late fiscal 2010, the Company’s management learned that the Joint Venture Agreement between Cross Global and ZMDC was in default, in turn causing the Company’s Assignment Agreement with Cross Global to be in default. In the first quarter of fiscal 2011, the Company received notification from Cross Global that it believed it would be unable to obtain written consent from ZMDC to proceed with the Assignment Agreement or to proceed with the proposed sale of Cross Global and that it wished to terminate the Assignment Agreement. The Company is currently in further discussions with Cross Global to determine a mutually satisfactory way to complete the acquisition. As at March 31, 2011, neither the Company nor Cross Global has received the required consent of ZMDC.

6. LOAN RECEIVABLE

On February 25, 2010, the Company loaned US \$250,000 to the sole shareholder of Cross Global to facilitate the contemplated purchase of all of the issued and outstanding shares of Cross Global. The loaned amount would be applied to the purchase price for Cross Global upon reaching a formal purchase agreement, which would require the consent of ZMDC (note 5). The loan is secured by a charge against all of the issued and outstanding shares of Cross Global and due on demand in the event of default. The loan is considered to be in default because the Company was unable to reach a formal purchase agreement with Cross Global by March 31, 2010. The loan bears interest at the Hong Kong Interbank Offered Rate commencing on the date of default.

In fiscal 2011, the Company determined that there was no longer reasonable assurance of timely collection of its loan receivable. Accordingly, the Company recognized an impairment charge for the full amount of the loan and the carrying value of the loan was reduced to zero. The Company did not recognize any interest on the loan subsequent to determining it was impaired.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

7. EQUIPMENT

| | | | | | 2011 |
|-------------------|-------------|--------|---------------------------------|--------|-----------------------|
| | Cost | | Accumulated Amortization | | Net Book Value |
| Computer hardware | \$ | 30,992 | \$ | 20,360 | \$ 10,632 |
| | | | | | |
| | | | | | 2010 |
| | Cost | | Accumulated Amortization | | Net Book Value |
| Computer hardware | \$ | 30,992 | \$ | 15,800 | \$ 15,192 |

8. MINERAL PROPERTIES

The Company's mineral properties are as follows:

| | Luismin Properties |
|----------------------------------|---------------------------|
| Balance, March 31, 2009 and 2010 | \$ 30,400 |
| Write-off | (30,400) |
| Balance, March 31, 2011 | \$ - |

Exploration expenditures on mineral properties for the year ended March 31, 2011 were as follows:

| | Luismin Properties | La Coyota Property | Property Investigation | Total |
|-------------------------|---------------------------|---------------------------|-------------------------------|--------------|
| Geological (note 11(c)) | \$ 20,094 | \$ - | \$ 189,898 | \$ 209,992 |
| Assay | - | - | 1,384 | 1,384 |
| General exploration | 95,487 | 6,317 | 53,940 | 155,744 |
| | \$ 115,581 | \$ 6,317 | \$ 245,222 | \$ 367,120 |

Exploration expenditures on mineral properties for the year ended March 31, 2010 were as follows:

| | Luismin Properties | La Coyota Property | Property Investigation | Total |
|-------------------------|---------------------------|---------------------------|-------------------------------|--------------|
| Geological (note 11(c)) | \$ 87,120 | \$ 3,600 | \$ 156,900 | \$ 247,620 |
| Assay | 10,090 | - | - | 10,090 |
| General exploration | 78,498 | 6,537 | 39,664 | 124,699 |
| | \$ 175,708 | \$ 10,137 | \$ 196,564 | \$ 382,409 |

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

8. MINERAL PROPERTIES (Continued)

(a) **Option Agreement with Luismin S.A. de C.V. (“Luismin”)**

On June 1, 2007, the Company acquired an option to earn an undivided 50% right, title and working interest in eight properties from Luismin, a wholly-owned subsidiary of Goldcorp Inc. (“Goldcorp”). The properties, named Altares, Corralitos, La Blanca, La Fortuna, Santo Domingo, Villa de Ramos, Xichu and Yecora, are all located in Mexico.

Under the terms of the option agreement, the Company was to incur exploration expenditures before June 1, 2011 of US \$500,000 on each property it wished to acquire a 50% interest in, and an aggregate of US \$4,000,000 on all of the properties.

Upon completion of this option, the Company and Luismin would incorporate a new Mexican company, which will hold each of the concessions in Mexico. Each party would vend their respective interest in each of the concessions in return for shares of the new Mexican company.

The Company could earn a further 25% interest in each property by incurring additional expenditures before June 1, 2013 of US \$1,500,000 on each property it wished to increase its total interest in to 75%.

Based on the results to date, on March 31, 2011, the Company decided to terminate the option agreement with Luismin. Consequently, mineral property costs of \$30,400 were written off during fiscal 2011. Prior to terminating the agreement, the Company had cumulatively incurred exploration expenditures of CAD \$539,031 (US \$536,179) on the Xichu property and an aggregate of CAD \$1,400,145 (US \$1,381,909) on the eight Luismin properties.

(b) **La Coyota Property**

In February 2009, the Company staked a new property, La Coyota, located in Durango, Mexico. Accordingly, there were no direct costs incurred to acquire a 100% interest in this property.

(c) **Title to Mineral Property Interests**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

8. MINERAL PROPERTIES (Continued)

(d) **Realization of Assets**

Realization of the Company's investment in mineral properties is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

(e) **Environmental**

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current properties that may result in material liability to the Company.

9. CAPITAL STOCK

Authorized

Unlimited number of common shares without par value

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

10. CAPITAL MANAGEMENT

The Company defines its capital as all components of shareholders' equity. The Company has no debt obligations. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs through the sale of its common shares or units consisting of common shares and warrants. Although the Company has been successful at raising funds in the past through issuance of capital stock, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the year.

11. RELATED PARTY TRANSACTIONS

- (a) As at March 31, 2011, \$40,848 (2010 - \$41,944) was advanced to certain directors of the Company for travel expenses to be incurred on behalf of the Company and is included in advances to related parties;
- (b) As at March 31, 2011, \$15,812 (2010 - \$3,765) is due to a company controlled by a director of the Company for travel expenses incurred on behalf of the Company and is included in due to related parties;
- (c) During the year ended March 31, 2011, geologist fees of \$152,000 (2010 - \$168,000) were paid to companies controlled by directors of the Company and included in geological exploration expenses;
- (d) During the year ended March 31, 2011, management fees of \$120,000 (2010 - \$130,000) were paid to companies controlled by officers of the Company;
- (e) During the year ended March 31, 2011, rent of \$72,000 (2010 - \$76,780) was paid to a company with common directors; and
- (f) During the year ended March 31, 2011, consulting fees of \$8,000 (2010 - \$0) was paid to family members of an officer of the Company.

All advances and amounts due to related parties have repayment terms similar to the Company's other accounts receivable/payable and are unsecured and without interest. All of the above transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

12. SEGMENT DISCLOSURE

The Company operates in one industry and geographical segment, the mineral resource industry, with all current exploration activities being conducted in Mexico. The Company's capital assets and total assets are distributed by geographic locations as follows:

| | 2011 | | 2010 | |
|--------|--|--------------|--|--------------|
| | Capital Assets (including mineral properties) | Total Assets | Capital Assets (including mineral properties) | Total Assets |
| Canada | \$ 10,632 | \$ 2,190,360 | \$ 15,192 | \$ 3,390,588 |
| Mexico | - | 4,942 | 30,400 | 63,943 |
| | \$ 10,632 | \$ 2,195,302 | \$ 45,592 | \$ 3,454,531 |

13. INCOME TAXES

The Company has accumulated non-capital losses of approximately \$3,857,100 that expire in various years to 2031 as follows:

| | Mexico | Canada | Total |
|------|------------|--------------|--------------|
| 2019 | \$ 69,000 | \$ - | \$ 69,000 |
| 2020 | 85,000 | - | 85,000 |
| 2021 | 113,000 | | 113,000 |
| 2027 | - | 126,000 | 126,000 |
| 2028 | - | 767,500 | 767,500 |
| 2029 | - | 438,000 | 437,600 |
| 2030 | - | 1,252,000 | 1,252,000 |
| 2031 | - | 1,007,000 | 1,007,000 |
| | \$ 267,000 | \$ 3,590,500 | \$ 3,857,100 |

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

| | 2011 | 2010 |
|---|--------------|--------------|
| Income tax recovery at Canadian statutory rates | \$ (414,337) | \$ (439,792) |
| Tax effect of expenses that are not deductible for income tax purposes | 98,441 | 44,773 |
| Change in timing differences | (7,294) | (186) |
| Change in valuation allowance | 297,565 | 393,330 |
| Change in value of available-for-sale securities | 25,625 | 1,875 |
| | \$ - | \$ - |

BLACKCOMB MINERALS INC.
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended March 31, 2011 and 2010

13. INCOME TAXES (Continued)

Significant components of the Company's future income tax assets after applying enacted corporate income tax rates are as follows:

| | 2011 | 2010 |
|------------------------------------|-------------|-------------|
| Future income tax assets | | |
| Mineral properties | \$ - | \$ (8,000) |
| Non-capital losses carried forward | 972,000 | 670,000 |
| Marketable securities | (16,000) | 10,000 |
| Equipment | 5,000 | 4,000 |
| Share issuance costs | 1,000 | 2,000 |
| | 962,000 | 678,000 |
| Valuation allowance | (962,000) | (678,000) |
| Future income tax asset, net | \$ - | \$ - |