

Chantrell Ventures Corp.

UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three month periods ended
March 31, 2012 and 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Chantrell Ventures Corp. are the responsibility of the management and Board of Directors of the Company.

The unaudited interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Paul A. Parisotto,
President, CEO and CFO

NOTICE TO READER

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated financial statements for the three month periods ended March 31, 2012 and 2011 have not been reviewed by the Company's auditors.

CHANTRELL VENTURES CORP.**UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

As at	March 31, 2012	December 31, 2011
		(Audited)
Assets		
Current		
Cash	\$ 949,219	\$ 1,052,817
Trade and other receivables (Note 3)	17,488	6,828
Prepaid expenses and deposits	20,655	35,303
	987,362	1,094,948
Equipment (Note 4)	22,711	23,906
	\$ 1,010,073	\$ 1,118,854
LIABILITIES		
Current		
Trade and other payables (Note 5 and 6)	\$ 20,817	\$ 16,290
	20,817	16,290
EQUITY		
Share capital (Note 7 (a))	2,563,000	2,563,000
Reserve for warrants (Note 8)	50,000	50,000
Reserve for share based payments (Note 9)	2,043,884	2,043,884
Deficit	(3,667,628)	(3,554,320)
	989,256	1,102,564
	\$ 1,010,073	\$ 1,118,854

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board on May 23, 2012:

"Paul A. Parisotto" Director"Lorie Waisberg" Director*The accompanying notes are an integral part of these unaudited interim financial statements*

CHANTRELL VENTURES CORP.

UNAUDITED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

<i>For the three month period ended March 31,</i>	2012	2011
Expenses		
Share based payments (Note 7 (b))	\$ -	\$ 728,000
Management and consulting fees (Note 6)	63,750	52,500
Professional fees	15,250	8,900
Shareholder information	9,856	5,958
Office and miscellaneous	23,257	19,057
Depreciation (Note 4)	1,195	-
Net loss and comprehensive loss for the period	\$ 113,308	\$ 814,415
Loss per share		
Basic and diluted	\$ (0.01)	\$ (0.05)
Weighted average number of common shares outstanding		
Basic and diluted	18,611,857	17,399,284

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

CHANTRELL VENTURES CORP.

UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian dollars)

	Share Capital		Reserves			Total
	Number of Shares	Amount	Share based payments	Warrants	Deficit	
Balance at December 31, 2011	18,611,857	\$ 2,563,000	\$ 2,043,884	\$ 50,000	\$ (3,554,320)	\$ 1,102,564
Total comprehensive loss for the period	-	-	-	-	(113,308)	(113,308)
Balance at March 31, 2012	18,611,857	\$ 2,563,000	\$ 2,043,884	\$ 50,000	\$ (3,667,628)	\$ 989,256
Balance at January 1, 2011	12,336,857	\$ 1,660,097	\$ 1,315,884	\$ 168,528	\$ (2,487,655)	\$ 656,854
Exercise of purchase warrants	6,275,000	784,375	-	-	-	784,375
Reserve transferred on exercise of warrants	-	118,528	-	(118,528)	-	-
Share based payments	-	-	728,000	-	-	728,000
Total comprehensive loss for the period	-	-	-	-	(814,415)	(814,415)
Balance at March 31, 2011	18,611,857	\$ 2,563,000	\$ 2,043,884	\$ 50,000	\$ (3,302,070)	\$ 1,354,814

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

CHANTRELL VENTURES CORP.**UNAUDITED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

<i>For the three month periods ended March 31,</i>	2012	2011
Cash flows used in operating activities		
Net loss for the period	\$ (113,308)	\$ (814,415)
Add items not affecting cash:		
Share based payments (Note 7 (b))	-	728,000
Depreciation	1,195	-
Changes in non-cash working capital balances:		
Trade and other receivables	(10,660)	121,354
Prepaid expenses and deposits	14,648	9,591
Trade and other payables	4,527	(44,022)
Cash flows from (used in) operating activities	(103,598)	508
Cash flows from financing activities		
Issue of common shares, net of issue cost (Note 7 (a))	-	784,375
Cash flows provided from financing activities	-	784,375
Net increase (decrease) in cash	(103,598)	784,883
Cash, beginning of period	1,052,817	552,749
Cash, end of period	\$ 949,219	\$ 1,337,632
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	\$ -	\$ -
Income tax paid	\$ -	\$ -

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

CHANTRELL VENTURES CORP.
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 and 2011
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN CONSIDERATIONS

Chantrell Ventures Corp. (the "Company") is a public company incorporated under the laws of the Province of Alberta and continued into the Province of British Columbia under the Business Corporations Act on July 29, 2004. The Company's head office is located at 145 King St. W., Suite 1220, Toronto, ON, M5H 1J8.

As at March 31, 2012, the Company had working capital of \$966,545 (December 31, 2011 – \$1,078,658), had not yet achieved profitable operations, had accumulated losses of \$3,667,628 (December 31, 2011 - \$3,554,320) and expects to incur further losses in the development of its business, all of which casts doubt upon the Company's ability to continue as a going concern. The Company is looking to acquire exploration and development assets. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so.

Management believes the Company has sufficient funds to cover planned operations throughout the next twelve month period. However, management may secure additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful.

These financial statements have been prepared on the basis of accounting principles 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. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company's exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the statement of financial position classifications used in the financial statements.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These unaudited interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim financial statements were authorized by the Board of Directors of the Company on May 23, 2012.

2.2 Basis of presentation

These unaudited interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2011 annual financial statements. Management advises readers of these unaudited interim financial statements to review the audited financial statements and accompanying notes as at December 31, 2011 in conjunction with the review of these statements.

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2. BASIS OF PRESENTATION (*continued*)

2.3 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2012. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 7 '*Financial Instruments, Disclosures*' - effective for annual periods beginning on or after January 1, 2013, IFRS 7 has been amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting similar arrangements.
- IFRS 9 '*Financial Instruments: Classification and Measurement*' – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 '*Consolidated Financial Statements*' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 '*Joint Arrangements*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 '*Disclosure of Interests in Other Entities*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 '*Fair Value Measurement*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.
- IAS 1 '*Presentation of Financial Statements*' - the IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss.
- IAS 12 '*Income Taxes*' – In December 2010, effective for annual periods beginning on or after January 1, 2012, IAS 12 Income Taxes was amended to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, *Income Taxes – recovery of revalued non-depreciable assets*, will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.
- IAS 19 '*Employee Benefits*' - effective for annual periods beginning on or after January 1, 2013, a number of amendments have been made to IAS 19, which included eliminating the use of the "corridor" approach and requiring remeasurements to be presented in OCI. The standard also includes amendments related to termination benefits as well as enhanced disclosures.

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2. BASIS OF PRESENTATION *(continued)*

2.3 Adoption of new and revised standards and interpretations *(continued)*

- IAS 27 'Separate Financial Statements' - effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
- IAS 28 'Investments in Associates and Joint Ventures' - effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee
- IAS 32 'Financial instruments, Presentation' – In December 2011, effective for annual periods beginning on or after January 1, 2013, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

3. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise primarily from harmonized services tax ("HST") receivable due from government taxation authorities. Receivables are broken down as follows:

	As at,	
	March 31,	December 31,
	2012	2011
	\$	\$
HST receivable	17,488	6,828
Total Trade and Other Receivables	17,488	6,828

Below is an aged analysis of the Company's trade and other receivables:

	As at,	
	March 31,	December 31,
	2012	2011
	\$	\$
Less than 1 month	17,488	6,828
Total Trade and Other Receivables	17,488	6,828

At March 31, 2012, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 11.

The Company holds no collateral for any receivable amounts outstanding as at March 31, 2012.

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4. EQUIPMENT

	Office, furniture and fixtures
Cost	
As at January 1, 2011	\$ -
Additions	25,164
As at December 31, 2011 and March 31, 2012	\$ 25,164
Accumulated depreciation	
As at January 1, 2011	\$ -
Depreciation	1,258
As at December 31, 2011	\$ 1,258
Depreciation	1,195
As at March 31, 2012	\$ 2,453
Net book value	
As at December 31, 2011	\$ 23,906
As at March 31, 2012	\$ 22,711

5. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	As at,	
	March 31, 2012	December 31, 2011
	\$	\$
Less than 1 month	17,488	16,290
Total Trade and Other Payables	17,488	16,290

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6. RELATED PARTY TRANSACTIONS

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other services to Chantrell. All transactions were conducted in the normal course of operations and are measured at the exchange amounts as follows:

As at March 31 2012, the Company had \$5,058 (December 31, 2011 - \$2,959) in trade and other payables due to a company controlled by an officer and director of the Company.

7. SHARE CAPITAL

(a) Authorized – Unlimited Common shares without par value
Unlimited Preferred shares without par value

The issued and outstanding share capital is as follows:

Common shares

	Number of Shares	Amount
Balance, December 31, 2010	12,336,857	\$ 1,660,097
Issued for exercise of warrants	6,275,000	784,375
Reserve transferred on warrants exercised	-	118,528
Balance, December 31, 2011 and March 31, 2012	18,611,857	\$ 2,563,000

(b) Options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to acquire common shares of the Company to directors and officers, employees, and consultants of the Company. Exercise prices cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The options vest immediately unless otherwise specified. The maximum aggregate number of common shares under options any time under the Plan cannot exceed 10% of the issued shares. As at March 31, 2012, the Company had 1,186 (December 31, 2011 – 1,186) options available for issuance under the plan. Continuity of the options outstanding to purchase common shares is as follows:

	March 31, 2012		December 31, 2011	
	Weighted Average Exercise Price (\$)	No. of Options	Weighted Average Exercise Price (\$)	No. of Options
Outstanding at beginning of year/period	0.73	1,860,000	0.44	900,000
Transactions during the year/period:				
Granted	-	-	1.00	960,000
Outstanding at end of year/period	0.73	1,860,000	0.73	1,860,00

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7. SHARE CAPITAL *(continued)*

(b) Options *(continued)*

The following summarizes information on stock options outstanding at March 31, 2012.

Range of Exercise Prices (\$)	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price (\$)
0.44	900,000	3.67	0.44
1.00	960,000	3.91	1.00
0.44 – 1.00	1,860,000	3.79	0.73

The fair value of each option was estimated on the date of grant. The following is the assumptions used under Black-Scholes at the measurement date for the year ended December 31, 2011:

	February 28, 2011
Options Issued	960,000
Risk free interest rate	2.63%
Expected life	5 years
Exercise Price	\$1.00
Price volatility	101%
Dividend yield	Nil
Fair Value of options granted	\$728,000
Vesting	Immediately
Share based payments	\$728,000

The weighted average grant-date fair value of options granted during the three month period ended March 31, 2012 was \$Nil (December 31, 2011 – year ended - \$0.76) per option issued.

8. RESERVE FOR WARRANTS

Reserve for warrants is comprised of the following:

	March 31, 2012	December 31, 2011
Balance, beginning of the year/period	\$ 50,000	\$ 168,528
Fair value of contributed surplus transferred on warrants exercised	-	(118,528)
Balance, end of year/period	\$ 50,000	\$ 50,000

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9. RESERVE FOR SHARE BASED PAYMENTS

Reserve for share based payments is comprised of the following:

	March 31, 2012	December 31, 2011
Balance, beginning of the year/period	\$ 2,043,884	\$ 1,315,884
Share based payments	-	728,000
Balance, end of year/period	\$ 2,043,884	\$ 2,043,884

10. FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments as at March 31, 2012 include cash, trade and other receivables, and trade and other payables. Fair value of cash is determined based on transaction value and is categorized as Level 1 measurement. Fair value of trade and other receivable and trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements. The Company records its financial instruments at their carrying amounts which approximates fair value, unless otherwise disclosed in the financial statements. The carrying amounts approximate fair values due to the short-term maturities of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Interest rate risk

The Company's cash includes bank deposits that are subject to floating interest rates. The Company's current policy is to invest excess cash in bank deposits by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash and trade and other receivables included in current assets. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, from which, management believes the risk of loss is remote. As at March 31, 2012, the Company's trade and other receivables primarily consist of amounts due from the Canadian government. The Company's receivables are normally collected within a 30-60 day period. The Company has not experienced any collection issues to March 31, 2012. The Company is exposed to credit risk with regards to the government denying the Company claims filed.

The Company's maximum exposure to credit risk as at March 31, 2012 is the carrying value of cash and trade and other receivables.

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10. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2012, the Company had working capital of \$966,545 (December 31, 2011 – \$1,078,658), consisting of current assets of \$987,362 (December 31, 2011 - \$1,094,948) compared to current liabilities of \$20,817 (December 31, 2011 - \$16,290). The ability of the Company to continue to pursue its activities and continue as a going concern is dependent on its ability to secure additional equity or other financing. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Sensitivity Analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Interest rate risk on cash is minimal as these have fixed interest rates.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a one year period:

- (i) Cash includes bank deposits that are subject to floating interest rates. As at March 31, 2012, if interest rates had fluctuated by 1% and all other variables remained constant, the loss for the three month period ended March 31, 2012 would change by \$2,000, as a result of a change in interest income from cash.

11. CAPITAL MANAGEMENT

The Company's objectives in managing its capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's activities; to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties; to maintain a flexible capital structure for its projects for the benefit of its stakeholders; to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company considers its capital to be equity, which is comprised of share capital, reserve accounts, and deficit, which as at March 31, 2012 totaled \$989,256 (December 31, 2011 – \$1,102,564).

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company currently has no major sources of revenue; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will continue to assess its existing working capital position and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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11. CAPITAL MANAGEMENT *(continued)*

The Company's investment policy is to invest its cash in bank deposits, to ensure it is available for upcoming expenditures.

The Company expects its capital resources will be sufficient to carry out its acquisition and exploration plans and operations through its current operating period. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three month period ended March 31, 2012. Neither the Company is not subject to externally imposed capital requirements.