Amended (Note 7(b))

New Pacific Metals Corp
新太平洋金属有限公司

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2010

(Unaudited, expressed in Canadian Dollars)

Amended (Note 7(b))

NEW PACIFIC METALS CORP.
Consolidated Balance Sheets
(Unaudited, expressed in Canadian Dollars)

	Notes		**March 31, 2010**		June 30, 2009
ASSETS					
Current					
Cash and cash equivalents		**$**	**1,940,049**	$	758,917
Short term investments			**7,907,541**		10,599,000
Receivables and prepaid expenses	3		**539,398**		94,818
			10,386,988		11,452,735
Reclamation deposit			**55,320**		55,320
Long term investments	4		**115,080**		-
Mineral property interests	5		**3,797,873**		3,567,876
Plant and equipment	6		**268,287**		300,886
		$	**14,623,548**	$	15,376,817
LIABILITIES					
Current					
Accounts payable and accrued liabilities		**$**	**304,022**	$	418,972
Deposits received	5		**80,352**		-
Due to related parties	8		**140,436**		30,288
			524,810		449,260
SHAREHOLDERS' EQUITY					
Share capital	7		**16,707,223**		16,623,663
Contributed surplus			**12,953,823**		12,640,292
Accumulated other comprehensive income			**62,794**		-
Deficit			**(15,625,102)**		(14,336,398)
			14,098,738		14,927,557
		$	**14,623,548**	$	15,376,817

APPROVED BY THE DIRECTORS

(Signed) Jack Austin
Director

(Signed) Rui Feng
Director

See accompanying notes to the unaudited interim consolidated financial statements

Amended (Note 7(b))

NEW PACIFIC METALS CORP.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited, expressed in Canadian dollars except for per share figures)

	Notes	Three months ended March 31, 2010	Three months ended March 31, 2009	Nine months ended March 31, 2010	Nine months ended March 31, 2009
Expenses	8(a)				
Audit and accounting		**$ 15,390**	$ 15,426	**$ 40,531**	$ 59,626
Consulting		**67,074**	49,870	**167,105**	157,929
Depreciation		**5,006**	6,194	**14,806**	18,475
Filing and listing		**3,985**	2,365	**12,291**	10,428
Foreign exchange loss (gain)		**3,665**	(474,714)	**39,478**	(498,046)
General exploration		**71,862**	25,249	**88,729**	134,078
Investor relations		**12,414**	5,730	**63,132**	56,476
Legal and professional fees		**5,884**	5,623	**17,950**	14,104
Salaries and benefits		**116,529**	72,443	**297,892**	246,999
Office and administration		**29,905**	32,788	**121,651**	101,697
Rent		**18,672**	30,905	**50,750**	73,822
Stock-based compensation	7(b)	**78,817**	224,610	**353,841**	633,936
Travel and promotion		**15,562**	22,335	**99,060**	48,539
Loss before other income and expenses		**444,765**	18,824	**1,367,216**	1,058,063
Other income and expenses					
Gain on disposal of mineral property interests		**-**	-	**15,330**	217,560
Gain (loss) on disposal of plant and equipment		**9,345**	-	**7,541**	(808)
Interest income		**17,753**	82,584	**55,641**	256,758
Other income		**-**	-	**-**	68,105
		27,098	82,584	**78,512**	541,615
Net (loss) income for the period		**$ (417,667)**	$ 63,760	**$ (1,288,704)**	$ (516,448)
Other comprehensive income					
Unrealized gain on available for sale securities		**62,794**	-	**62,794**	-
Other comprehensive income		**62,794**	-	**62,794**	-
Comprehensive (loss) income		**$ (354,873)**	$ 63,760	**$ (1,225,910)**	$ (516,448)
Basic (loss) earning per share		**$ (0.01)**	$ 0.00	**$ (0.04)**	$ (0.02)
Diluted (loss) earning per share		**$ (0.01)**	$ 0.00	**$ (0.04)**	$ (0.02)
Weighted average number of shares - basic		**31,904,988**	31,661,011	**31,878,284**	31,660,781
Weighted average number of shares - diluted		**31,904,988**	32,383,276	**31,878,284**	31,660,781

See accompanying notes to the unaudited interim consolidated financial statements

Amended (Note 7(b))

NEW PACIFIC METALS CORP.
Consolidated Statements of Cash Flows
(Unaudited, expressed in Canadian dollars)

	Three months ended March 31,		Nine months ended March 31,	
	2010	2009	**2010**	2009
Cash provided by (used in)				
Operating activities				
Net income (loss) for the period	**$ (417,667)**	$ 63,760	**$ (1,288,704)**	$ (516,448)
Add (deduct) items not affecting cash :				
Depreciation	**5,006**	6,194	**14,806**	18,475
Gain on disposal of mineral property interests	**-**	-	**(15,330)**	(217,560)
Gain on forfeiture of deposits received	**-**	-	**-**	(8,105)
(Gain) loss on disposal of plant and equipment	**(9,345)**	-	**(7,541)**	808
Stock-based compensation	**78,817**	224,610	**353,841**	633,936
	(343,189)	294,564	**(942,928)**	(88,894)
Change in non-cash working capital				
Receivables and prepaid expenses	**(155,489)**	(63,414)	**(313,914)**	(297,046)
Accounts payable and accrued liabilities	**(66,246)**	318,655	**(75,075)**	267,241
Cash provided by (used in) operating activities	**(564,924)**	549,805	**(1,331,917)**	(118,699)
Investing activities				
Cash increased on acquisition of Lachlan	**-**	690,073	**-**	690,073
Deposits				
Receipts from customers	**-**	166,160	**86,778**	221,280
Refund to customer	**-**	-	**-**	(26,925)
Mineral property interests				
Expenditures, net of proceeds from by-product ore sales	**319,341**	(211,603)	**(253,593)**	(370,647)
Proceeds from disposal	**(480)**	-	**15,590**	-
Plant and equipment				
Acquisition	**(23,088)**	(189,377)	**(96,628)**	(190,750)
Proceeds from disposal	**(935)**	-	**13,875**	127
Reclamation deposit paid	**-**	(55,320)	**-**	(55,320)
Acquisition of long-term investments	**(52,286)**	-	**(52,286)**	-
Proceeds from sale of (purchase of) short term investments	**1,691,459**	285,000	**2,691,459**	(186,000)
Cash provided by investing activities	**1,934,011**	684,933	**2,405,195**	81,838
Financing activities				
Amount due to related parties	**11,043**	35,249	**113,698**	27,187
Shares issued for cash	**-**	-	**43,250**	11,760
Cash provided by financing activities	**11,043**	35,249	**156,948**	38,947
Effect of exchange rate changes on cash and cash equivalents	**(10,691)**	(67,053)	**(49,094)**	(23,773)
Increase (decrease) in cash and cash equivalents	**1,369,439**	1,202,934	**1,181,132**	(21,687)
Cash and cash equivalents, beginning of period	**570,610**	154,757	**758,917**	1,379,378
Cash and cash equivalents, end of period	**$ 1,940,049**	$ 1,357,691	**$ 1,940,049**	$ 1,357,691

See accompanying notes to the unaudited interim consolidated financial statements

Amended (Note 7(b))

NEW PACIFIC METALS CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited, expressed in Canadian dollars except for share figures)

	Share Capital					
	Number of shares	Amount	Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
Balance, June 30, 2008	31,640,011	$ 16,412,943	$ 11,808,035	$ -	$ (13,410,552)	$ 14,810,426
Options exercised	186,000	210,720	(100,560)	-	-	110,160
Fractional rounding	(23)	-	-	-	-	-
Stock-based compensation	-	-	932,817	-	-	932,817
Net loss for the year	-	-	-	-	(925,846)	(925,846)
Balance, June 30, 2009	31,825,988	16,623,663	12,640,292	-	(14,336,398)	14,927,557
Options exercised	79,000	83,560	(40,310)	-	-	43,250
Stock-based compensation	-	-	353,841	-	-	353,841
Unrealized gain on available for sale securities	-	-	-	62,794	-	62,794
Net loss for the period	-	-	-	-	(1,288,704)	(1,288,704)
Balance, March 31, 2010	**31,904,988**	**$ 16,707,223**	**$ 12,953,823**	**$ 62,794**	**$ (15,625,102)**	**$ 14,098,738**

See accompanying notes to the unaudited interim consolidated financial statements

1. NATURE OF OPERATIONS

New Pacific Metals Corp., an exploration stage company, along with its subsidiary companies (collectively the "Company"), is engaged in the acquisition and exploration of mineral property interests.

The Company is in the process of exploring and developing its mineral property interests and has not yet determined whether its mineral property interests contain economically recoverable mineral reserves. The underlying value and the recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, and future profitable production or proceeds from the disposition of the mineral property interests.

These consolidated financial statements have been prepared using accounting principles applicable to a going concern. The Company has a history of losses and no operating revenue. As at March 31, 2010, the Company had working capital balance of $9,862,178 and sufficient cash resources to meet the Company's planned expenditures for the foreseeable future. These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and follow the same accounting policies and methods set out in Note 2 to the audited consolidated financial statements for the year ended June 30, 2009, except for those as described in Note 2(b) herein. However, they do not contain all disclosures required by Canadian GAAP for annual financial statements, and accordingly, they should be read in conjunction with most recently audited consolidated financial statements for the year ended June 30, 2009.

These unaudited interim consolidated financial statements include the accounts of its wholly-owned subsidiaries: New Pacific Offshore Inc.; SKN Nickel & Platinum Ltd. ("SNP"), Lachlan Gold Ltd., 0876044 B.C. Ltd., Yunnan Jin Chang Jiang Mining Co. Ltd., Yunnan Jin Chang Jiang Mining Co. Ltd. Guangning Branch; and Sichuan Huaxi Mining Co. Ltd. ("Huaxi"; 75% owned).

These unaudited interim consolidated financial statements reflect, in the opinion of management, all adjustments necessary to present fairly the consolidated financial position as at March 31, 2010, and the consolidated statements of loss and cash flows for the three and nine months period presented. Operating results of the interim period are not necessarily indicative of the result that may be expected for the full fiscal year ending June 30, 2010.

All significant inter-company transactions and accounts have been eliminated upon consolidation.

(b) Adoption of New Accounting Standards

(i) Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, CICA Emerging Issues Committee Abstract 27 "Revenues and Expenditures in the Pre-operating Period" ("EIC-27") was withdrawn.

The standard is effective for the Company's fiscal year beginning July 1, 2009. Adoption of this standard did not have a significant effect on the unaudited interim consolidated financial statements.

(ii) Financial Instruments – Recognition and Measurement

On June 17, 2009, the Accounting Standards Board of Canada ("AcSB") released Embedded Derivatives on Reclassification of Financial Assets, amending Section 3855, Financial Instruments – Recognition and Measurement. The amendment indicates that contracts with embedded derivatives cannot be reclassified out of the held for trading category if the embedded derivative cannot be fair valued. The standard is effective for reclassifications made on or after July 1, 2009. The adoption of this standard did not have a significant effect on the unaudited interim consolidated financial statements.

(c) New Canadian Accounting Pronouncements

(i) Convergence with IFRS

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the Company plans to adopt IFRS for fiscal years beginning July 1, 2011.

The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. A diagnostic assessment of the Company's current accounting policies, systems and processes to identify the differences between current Canadian GAAP and IFRS is in progress and the impact on our consolidated financial position and results of operations has not yet been determined. The Company intends to update the critical accounting policies and procedures to incorporate the changes required by a conversion to IFRS and the impact of these changes on its financial disclosures.

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

(ii) Business Combinations and Related Sections

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581 to harmonize the business combinations standard under Canadian GAAP with IFRS. The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-controlling Interests", which replace Section 1600 "Consolidated Financial Statements". Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination.

These sections will be applied to the Company's financial statements for the fiscal year beginning July 1, 2011. The Company is currently assessing the impacts to its consolidated financial statements upon adoption of this new accounting guidance.

(iii) Financial Instruments - Disclosures

In June 2009, the AcSB amended Section 3862, Financial Instruments – Disclosures, to converge with Improving Disclosures about Financial Instruments (Amendments to IFRS 7). The amendments expand the disclosures required in respect of recognized fair value measurements and clarify existing principles for disclosures about the liquidity risk associated with financial instruments. This standard will be effective for the annual consolidated financial statements of the Company for the annual period beginning July 1, 2010. The Company is currently assessing the impacts to its consolidated financial statements upon adoption of this new accounting guidance.

3. RECEIVABLES AND PREPAID EXPENSES

Receivables and prepaid expenses consisted of the following:

		March 31, 2010		June 30, 2009
Accounts receivable	**$**	**323,054**	$	6,305
Interest receivable		**55,433**		9,288
Prepaid expenses and deposits		**160,911**		79,225
	$	**539,398**	$	94,818

4. LONG TERM INVESTMENTS

During the three months ended March 31, 2010, the Company acquired common shares of a public company at open market for a cost of $52,286. As at March 31, 2010, the fair value of this investment was $115,080, and a total of $62,794 unrealized gain was recorded as other comprehensive income on the consolidated statements of income (loss) and comprehensive income (loss).

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

5. MINERAL PROPERTY INTERESTS

The continuity schedule of mineral property acquisition costs and deferred exploration and development costs is summarized as follows:

Expenditures		**Huaiji**		**Sichuan**		**Total**
Balance, June 30, 2008	$	1,031,099	$	-	$	1,031,099
Mineral property interest acquisition costs		-		3,731		3,731
Capitalized exploration and development costs						
Consulting		2,291		-		2,291
Drilling and assay		1,179,731		161,486		1,341,217
Geology		-		762		762
Geophysical and geochemical surveys		-		204,352		204,352
Site activities		144,276		7,527		151,803
Tunneling		831,581		(2,703)		828,878
Other		-		3,743		3,743
Balance, June 30, 2009		3,188,978		378,898		3,567,876
Mineral property interest acquisition costs		-		915		915
Capitalized exploration and development costs						
Drilling and assay		14,039		441		14,480
Geophysical and geochemical surveys		-		56,020		56,020
Site activities		45,778		1,345		47,123
Trenching		-		2,307		2,307
Tunneling		708,307		-		708,307
Recovery from mineral property explorations		(599,155)		-		(599,155)
Balance, March 31, 2010	**$**	**3,357,947**	**$**	**439,926**	**$**	**3,797,873**

During the three months ended March 31, 2010, the Company recovered $599,155(CNY¥3,997,032), mainly from sales of tunnelling by-product ores to a third party smelter.

During the nine months ended March 31, 2010, the Company continued to pursue the opportunities to dispose the exploration permits of Kang Dian Project, which was suspended and written off during the year ended June 30, 2008. During the nine months ended March 31, 2010, the Company disposed of one such permit to a third party for $15,330 (CNY¥100,000), and a gain of $15,330 was recognized on the consolidated statement of income (loss). The Company also entered into an agreement with a third party to dispose another permit for $295,020 (CNY¥1,800,000). A deposit of $80,352(CNY¥540,000) was received, while the permit is in the process of being transferred to the buyer.

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

6. PLANT AND EQUIPMENT

	March 31, 2010			June 30, 2009		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Machinery	$ 143,299	$ 29,083	$ 114,216	$ 119,624	$ 9,284	$ 110,340
Motor vehicle	147,993	49,719	98,274	169,786	40,222	129,564
Office equipment and funiture	56,480	19,753	36,727	52,056	13,510	38,546
Computer software	33,319	14,249	19,070	33,319	10,883	22,436
	$ 381,091	$ 112,804	$ 268,287	$ 374,785	$ 73,899	$ 300,886

During the three months ended March 31, 2010, the Company disposed of equipment with net book value of $64,381 (three months ended March 31, 2009 - $nil) for proceeds of $73,726, and a gain of $9,345 (three months ended March 31, 2009 - $nil) was recorded on the Consolidated Statements of Income (Loss).

During the nine months ended March 31, 2010, the Company disposed of equipment with net book value of $81,861 (nine months ended March 31, 2009 - $935) for $89,402, and total gain of $7,541 (nine months ended March 31, 2009 - loss $808) was recorded on the Consolidated Statements of Income (Loss).

7. SHAREHOLDERS' EQUITY

(a) Share Capital - authorized share capital

Unlimited number of common shares without par value
Unlimited number of Class A preferred shares without par value

(b) Stock options

The continuity schedule of stock options, as at March 31, 2010, is as follows:

	Number of options	Weighted average exercise price
Balance, June 30, 2008	2,866,573	$ 1.10
Options granted	1,200,000	0.50
Options exercised	(186,000)	0.59
Options cancelled/forfeited	(93,858)	0.94
Options expired	(535,000)	0.60
Balance, June 30, 2009	3,251,715	0.99
Options exercised	(79,000)	0.55
Options cancelled/forfeited	(16,000)	0.70
Options expired	(360,000)	0.55
Balance, March 31, 2010	**2,796,715**	**$ 1.07**

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

The fair value of these options granted was estimated using the Black-Scholes option pricing model with the following assumptions:

	Nine months ended March 31,	
	2010	2009
Risk free interest rates	**1.92%**	3.52%
Expected lives of options	**2.8 years**	2.2 years
Expected volatilities	**97%**	147%
Dividend per share	**$Nil**	$Nil

No option was granted to employees, officers, directors or consultants during the three and nine months ended March 31, 2010.

During the three months ended March 31, 2009, a total of 1,200,000 options were granted to employees, officers, directors or consultants with a strike price of $0.50 for a period of five years, and subject to a vest period of 24 months.

The Company discovered an accounting discrepancy in its previously reported March 31, 2010 financial statements, relating to an error in the calculation of stock-based compensation. The correction of this error resulted in a decrease of stock-based compensation expenses, contributed surplus, and deficit of $292,762 for the nine months ended March 31, 2010.

The effect of such adjustments on stock-based compensation expenses, loss from operations, and basic and diluted loss per share for the quarters ended September 30, 2009 ("Q1 2010"), December 31, 2009 ("Q2 2010"), and March 31, 2010 ("Q3 2010") are as follows:

	Stock-based compensation		Net (loss) income		Basic and diluted loss per share	
	As previously reported	**As amended**	As previously reported	**As amended**	As previously reported	**As amended**
Q1 2010	$ 365,974	**$ 146,593**	$ (650,967)	**$ (431,586)**	$ (0.02)	**$ (0.01)**
Q2 2010	175,727	**128,431**	(486,747)	**(439,451)**	(0.02)	**(0.02)**
Q3 2010	104,902	**78,817**	(443,752)	**(417,667)**	(0.01)	**(0.01)**
	$ 646,603	**$ 353,841**	$ (1,581,466)	**$ (1,288,704)**	$ (0.05)	**$ (0.04)**

The effect of such adjustments on the balances of contributed surplus and deficit as at September 30, 2009, December 31, 2009, and March 31, 2010 are as follows:

	Contributed surplus		Deficit	
	As previously reported	**As amended**	As previously reported	**As amended**
Q1 2010	$ 12,994,516	**$ 12,775,135**	$ (14,987,365)	**$ (14,767,984)**
Q2 2010	13,141,683	**12,875,006**	(15,474,112)	**(15,207,435)**
Q3 2010	13,246,585	**12,953,823**	(15,917,864)	**(15,625,102)**

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

The following table summarizes information about stock options outstanding as at March 31, 2010:

Exercise prices	Number of options outstanding as at March 31, 2010	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options exercisable as at March 31, 2010	Weighted average exercise price
$ 0.56	380,000	0.94	$ 0.56	380,000	$ 0.56
0.88	24,143	1.41	0.88	24,143	0.88
1.25	287,000	1.67	1.25	287,000	1.25
1.55	450,000	2.29	1.55	385,712	1.55
1.55	79,572	2.84	1.55	44,857	1.55
1.85	200,000	2.98	1.85	114,286	1.85
3.05	200,000	3.12	3.05	114,286	3.05
0.50	1,176,000	3.80	0.50	705,600	0.50
	2,796,715	2.79	$ 1.07	2,055,884	$ 1.06

8. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the financial statements are as follows:

	Three months ended March 31,		Nine months ended March 31,	
Transactions with related parties	**2010**	2009	**2010**	2009
Silvercorp Metals Inc. (a)	**$ 79,159**	$ 57,737	**$ 172,917**	$ 164,507
R. Feng Consulting Ltd. (b)	**18,000**	18,000	**54,000**	54,000
0799952 BC Ltd.(c)	**31,500**	31,500	**94,500**	94,500
	$ 128,659	$ 107,237	**$ 321,417**	$ 313,007

The transactions with related parties during the period were incurred in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the parties.

As at March 31, 2010, the balances with related parties, which are unsecured, non-interest bearing, and due on demand, are as follows:

Amount due to a related party	**March 31, 2010**	June 30, 2009
Silvercorp Metals Inc. (a)	**$ 140,436**	$ 30,288

(a) Silvercorp Metals Inc. ("SVM") has a director and officers in common with the Company and shares office space and provides various general and administrative services to the Company. During the three and nine months ended March 31, 2010, the Company recorded total expenses of $79,159 and $172,917 (three and nine months ended March 31, 2009 - $57,737 and $164,507), respectively, for services rendered and expenses incurred by SVM on behalf of NUX.

(b) During the three and nine months ended March 31, 2010, the Company incurred $18,000 and $54,000 (three and nine months ended March 31, 2009 - $18,000 and $54,000), respectively,

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

consulting fees for consulting services rendered by R. Feng Consulting Ltd., a company controlled by a director of the Company.

(c) During the three and nine months ended March 31, 2010, the Company paid $31,500 and $94,500 (three and nine months ended March 31, 2009 - $31,500 and $94,500), respectively, to 0799952 BC Ltd., a company controlled by a director of the Company, for consulting services.

9. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk, credit risk and equity price risk in accordance with its risk management framework. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(a) Fair value

The fair values of financial instruments at March 31, 2010 and March 31, 2009 are summarized as follows:

	March 31, 2010		June 30, 2009	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial Assets				
Held for trading				
Cash and cash equivalents	**$ 1,940,049**	**$ 1,940,049**	$ 758,917	$ 758,917
Short term investments	**7,907,541**	**7,907,541**	10,599,000	10,599,000
Loans and receivables				
Receivables and deposits	**378,487**	**378,487**	75,240	75,240
Available for sale				
Marketable securities	**115,080**	**115,080**	-	-
Financial Liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	**$ 304,022**	**$ 304,022**	$ 418,972	$ 418,972
Deposit received	**80,352**	**80,352**	-	-
Due to related parties	**140,436**	**140,436**	30,288	30,288

Fair values are determined directly by reference to published price quotations in an active market, when available. The fair value of financial instruments represents the amounts that would have been received from or paid to counterparties to settle these instruments.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in raising funds to meet obligations associated with financial instruments. The Company manages liquidity by maintaining adequate cash and cash equivalents and short term investment. As of March 31, 2010, the Company has sufficient fund to meet its short-term financial liabilities..

(c) Exchange risk

The Company undertakes transactions denominated in foreign currencies and as such is exposed to risks due to fluctuations in foreign exchange rates.

The Company conducts certain of its operations in China and thereby a portion of the Company's assets, liabilities, revenues and expenses are denominated in Chinese Yuan ("CNY"), which was tied to the U.S. Dollar until July 2005 and is now tied to a basket of currencies of China's largest trading partners. The Chinese Yuan is not a freely convertible currency.

The Company doesn't hedge its foreign currency risk, and the exposure of the Company's financial assets and financial liabilities to foreign exchange risk is summarized as follows:

The amounts are expressed in CAD equivalents		**March 31, 2010**		June 30, 2009
Canadian Dollar	**$**	**9,679,054**	$	10,922,538
United States Dollar		**42,190**		209,595
Chinese Yuan		**619,913**		301,024
Total financial assets	**$**	**10,341,157**	$	11,433,157
Canadian Dollar	**$**	**136,199**	$	103,792
Chinese Yuan		**388,611**		345,468
Total financial liabilities	**$**	**524,810**	$	449,260

As at March 31, 2010, with other variables unchanged, a 5% strengthening (weakening) of the Chinese Yuan against the Canadian dollar would have decreased (increased) net loss by approximately $11,565.

As at March 31, 2010, with other variables unchanged, a 5% strengthening (weakening) of the U.S. Dollar against the Canadian Dollar would have decreased (increased) net loss by approximately $2,110.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents and short term investments primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of March 31, 2010.

(e) Credit risk

The Company is exposed to credit risk primarily associated with cash and cash equivalents, short term investments, accounts receivable and interest receivable. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

None of the cash and cash equivalents were invested in asset backed commercial paper. The Company has deposits of cash equivalents that meet minimum requirements for quality and liquidity as stipulated by the Company's Board of Directors. Management believes the risk of loss to be remote.

(f) Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on Canadian financial markets. Furthermore, as the Company's marketable securities are also in mining companies, market values will fluctuate as commodity prices change. Based upon the Company's portfolio at March 31, 2010, a 5% increase (decrease) in the market price of the securities held, would have resulted in an increase (decrease) in other comprehensive income of $5,754

10. CAPITAL DISCLOSURE

The Company's objectives of capital management are to maintain the entity's ability to support the Company's normal operating requirements on an ongoing basis, and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items included in shareholders' equity. The Board of Directors does not establish a quantitative return on capital criteria for management. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management of the Company believes that the capital resources of the Company as at March 31, 2010 are sufficient for its present needs for the next 12 months.

The Company's overall strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any external imposed capital requirement as at March 31, 2010.

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

11. SEGMENTED INFORMATION

(a) Industry Information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral property interests.

(b) Geographic Information

(i) Summary of certain long-term assets of each geographic segment:

	China	Canada	Total
As at March 31, 2010			
Mineral property interests	**$ 3,797,873**	**$ -**	**$ 3,797,873**
Plant and equipment	**246,637**	**21,650**	**268,287**
As at June 30, 2009			
Mineral property interests	$ 3,567,876	$ -	$ 3,567,876
Plant and equipment	278,562	22,324	300,886

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

(ii) Summary of operating results of each geographic segment.

		China		Canada		Total
Three months ended March 31, 2010						
Expenses	**$**	**(81,359)**	**$**	**(363,406)**	**$**	**(444,765)**
Other income and expenses		**9,429**		**17,669**		**27,098**
Three months ended March 31, 2009						
Expenses	$	(40,399)	$	21,575	$	(18,824)
Other income and expenses		1,057		81,527		82,584

		China		Canada		Total
Nine months ended March 31, 2010						
Expenses	**$**	**(268,266)**	**$**	**(1,098,950)**	**$**	**(1,367,216)**
Other income and expenses		**23,847**		**54,665**		**78,512**
Nine months ended March 31, 2009						
Expenses	$	(225,727)	$	(832,336)	$	(1,058,063)
Other income and expenses		227,356		314,259		541,615