

**WCB RESOURCES LTD.  
(Formerly WCB Capital Ltd.)**

**(An Exploration Stage Company)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Prepared by Management)**

**November 30, 2011**

**WCB RESOURCES LTD.**  
**(formerly WCB Capital Ltd.)**  
**(An Exploration Stage Company)**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements.

*signed "Shaun Maskerine"*  
Shaun Maskerine, Director

*signed "Duncan Cornish"*  
Duncan Cornish, Director

January 23, 2012

**WCB RESOURCES LTD.**  
(formerly WCB Capital Ltd.)  
(An Exploration Stage Company)

**Condensed Interim Statements of Financial Position (Unaudited)**  
Expressed in Canadian Dollars

	November 30, 2011	May 31, 2011 (note 13)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$1,163,360	\$326,905
Reclamation bond (Note 5)	5,000	5,000
Prepays	3,711	5,014
Other receivables	6,183	2,813
<b>Total current assets</b>	<b>1,178,254</b>	<b>339,732</b>
<b>Exploration and Evaluation Assets (Note 6)</b>	<b>421,303</b>	<b>254,742</b>
<b>TOTAL ASSETS</b>	<b>\$1,599,557</b>	<b>\$594,474</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$80,025	\$14,283
<b>Shareholders' Equity</b>		
Capital Stock (Note 7)	1,792,865	712,199
Contributed Surplus	338,636	301,637
Foreign Currency Translation Reserve	(1,767)	-
Deficit	(610,202)	(433,645)
<b>Total shareholders' equity</b>	<b>1,519,532</b>	<b>580,191</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,599,557</b>	<b>\$594,474</b>

Continuance of operations (Note 2)  
Subsequent events (Note 12)

On behalf of the Board:

signed "Shaun Maskerine"  
Shaun Maskerine, Director

signed "Duncan Cornish"  
Duncan Cornish, Director

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

**WCB RESOURCES LTD.**  
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**Condensed Interim Statements of Comprehensive Loss/Income (Unaudited)**  
Expressed in Canadian Dollars

	Three months ended November 30, 2011	Three months ended November 30, 2010  (note 13)	Six months ended November 30, 2011	Six months ended November 30, 2010  (note 13)
<b>INTEREST AND OTHER INCOME</b>				
Interest received	\$ (643)	\$ (11)	\$ (1,113)	\$ (13)
Other income	-	(934)	-	(1,186)
	(643)	(945)	(1,113)	(1,199)
<b>EXPENSES</b>				
Professional fees	25,496	1,320	28,412	1,320
Administration	11,903	3,354	19,551	10,188
Operating expenses	14,652	370	15,861	5,575
Consulting fees	54,105	12,500	76,170	37,942
Transfer agent and filing fees	8,328	3,166	14,412	4,812
Share-based payments	14,019	14,228	23,661	29,323
Foreign exchange gain	4,208	-	(397)	-
<b>Total expenses</b>	<b>132,711</b>	<b>34,938</b>	<b>177,670</b>	<b>89,160</b>
<b>NET LOSS AND COMPREHENSIVE FOR THE PERIOD</b>	<b>\$132,068</b>	<b>\$33,993</b>	<b>\$176,557</b>	<b>\$87,961</b>
<b>Loss per common share - basic and diluted</b>	<b>\$0.006</b>	<b>\$0.002</b>	<b>\$0.010</b>	<b>\$0.006</b>
<b>Weighted average number of common shares outstanding</b>	<b>21,170,959</b>	<b>14,950,000</b>	<b>17,562,466</b>	<b>14,894,658</b>

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**Condensed Interim Statements of Changes in Shareholders' Equity (Unaudited)**  
Expressed in Canadian Dollars

	Share capital		Contributed surplus	Foreign Currency Translation Reserve	Deficit	Total
	Number	\$				
<b>Balance at June 1, 2010</b>	<b>14,850,000</b>	<b>\$637,497</b>	<b>\$323,299</b>	-	<b>\$(310,646)</b>	<b>\$650,150</b>
Loss for the period	-	-	-	-	(87,961)	(87,961)
Share-based payments	-	-	29,323	-	-	29,323
Options exercised	100,000	26,202	(16,202)	-	-	10,000
<b>Balance at November 30, 2010</b>	<b>14,950,000</b>	<b>\$663,699</b>	<b>\$336,420</b>	<b>\$-</b>	<b>\$(398,607)</b>	<b>601,512</b>
Loss for the period	-	-	-	-	(35,038)	(35,038)
Share-based payments	-	-	(26,283)	-	-	(26,283)
Warrants exercised	400,000	48,500	(8,500)	-	-	40,000
<b>Balance at May 31, 2011</b>	<b>15,350,000</b>	<b>\$712,199</b>	<b>\$301,637</b>	<b>\$-</b>	<b>\$(433,645)</b>	<b>\$580,191</b>
Loss for the period	-	-	-	-	(176,557)	(176,557)
Foreign Currency Exchange Variances	-	-	-	(1,767)	-	(1,767)
Share capital issued	5,000,000	918,367	81,633	-	-	1,000,000
Share-based payments	-	-	23,661	-	-	23,661
Options exercised	710,000	138,049	(64,045)	-	-	74,004
Warrants exercised	200,000	24,250	(4,250)	-	-	20,000
<b>Balance at November 30, 2011</b>	<b>21,260,000</b>	<b>\$1,792,865</b>	<b>\$338,636</b>	<b>\$(1,767)</b>	<b>\$(610,202)</b>	<b>\$1,519,532</b>

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**Condensed Interim Statements of Cash Flows (Unaudited)**  
Expressed in Canadian Dollars

	Six months ended November 30, 2011	Six months ended November 30, 2010  (note 13)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$(176,557)	\$(87,961)
Adjustments to reconcile loss to net cash used in operating activities:		
Share-based payments	23,661	29,323
Unrealized foreign exchange gain	(814)	-
Changes in non-cash working capital items		
Prepaid expenses	1,303	(1,377)
Other receivables	(3,370)	(3,622)
Accounts payable and accrued liabilities	32,815	(31,483)
Foreign currency reserve	(1,767)	-
<b>Total cash inflows (outflows) from operating activities</b>	<b>(124,729)</b>	<b>(95,120)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditures on exploration and evaluation assets	(133,446)	(220,742)
<b>Total cash inflows (outflows) from investing activities</b>	<b>(133,446)</b>	<b>(220,742)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of units, for cash	1,000,000	-
Exercise of options, for cash	74,004	10,000
Exercise of warrants, for cash	20,000	-
<b>Total cash inflows (outflows) from financing activities</b>	<b>1,094,004</b>	<b>10,000</b>
<b>Foreign Exchange Effect on Cash</b>	<b>626</b>	<b>-</b>
<b>Total increase (decrease) in cash during the period</b>	<b>\$836,455</b>	<b>\$(305,862)</b>
Cash, Beginning of period	326,905	632,787
<b>Cash, End of period</b>	<b>\$1,163,360</b>	<b>\$326,925</b>

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**Notes to the Condensed Interim Financial Statements (Unaudited)**

Expressed in Canadian Dollars

November 30, 2011

**1. NATURE OF BUSINESS**

WCB Resources Ltd. (formerly WCB Capital Ltd.) (the "Company" or "WCB") was incorporated under the *Business Corporations Act* (British Columbia) on March 2, 2007 and was classified as a capital pool company as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The Company completed its initial public offering ("IPO") and commenced trading on the TSX-V on October 10, 2007. The Company completed its Qualifying Transaction under the policies of the TSX-V on April 8, 2010. As a result of the Qualifying Transaction, the Company became a Tier 2 mining issuer and changed its name from WCB Capital Ltd. to WCB Resources Ltd.

The Company is currently focused on exploring the Maroon Property in the Skeena Mining District of British Columbia and the Red Hill copper gold project in central New South Wales, Australia. The Company has not earned revenues and is considered to be in the exploration stage.

**2. BASIS OF PREPARATION**

**(a) Statement of Compliance**

The financial statements of the Company for the year-ending May 31, 2012 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP"). These condensed interim financial statements for the period ended November 30, 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting, and as they are part of the Company's first IFRS annual reporting period, IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. The impact of the transition from pre-changeover Canadian GAAP to IFRS is explained in note 13.

As these are condensed interim financial statements for the Company's first quarter for the first year the Company's financial statements are to be prepared using IFRS, certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that were included in the Company's most recent annual financial statements prepared in accordance with pre-changeover Canadian GAAP have not been included in these financial statements for the comparative annual period. Accordingly, these condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements should be read in conjunction with the Company's 2011 annual financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company in note 13.

The condensed interim financial statements were authorized for issue by the Board of Directors on January 23, 2011.

**(b) Basis of Measurement**

The condensed interim financial statements have been prepared on a historical cost basis, except for held-for-trading financial assets measured at fair value with changes in fair value recorded in operations.

**(c) Functional and Presentation Currency**

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.

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**2. BASIS OF PREPARATION (Continued)**

**(d) Use of Estimates and Judgments**

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in note 4.

**(e) Continuance of Operations**

The condensed interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company has not generated revenues from operations. As such, the Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below are expected to be adopted for the year-ending May 31, 2012 and have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS statement of financial position at June 1, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

**(a) Foreign Currency Transactions**

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the statement of financial position date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the related translation differences are recognized in net income. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net income. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.



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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Mineral Exploration and Evaluation Expenditures**

*Pre-exploration Costs*

Pre-exploration costs are expensed in the period in which they are incurred.

*Exploration and Evaluation Assets*

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

**(d) Reclamation Deposits**

Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits are classified as loans and receivables.

**(e) Impairment of Non-Financial Assets**

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

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3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(e) **Impairment of Non-Financial Assets (Continued)**

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

(f) **Financial Instruments**

*Financial Assets*

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

*Financial Assets at Fair Value through Profit or Loss*

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

*Loans and Receivables*

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

*Impairment of Financial Assets*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

*Financial Liabilities*

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and are comprised of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carrying in the statement of financial position. Interest expense in this context includes initial

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial Instruments (Continued)

*Financial Liabilities (Continued)*

transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade payable amounts are unsecured.

*Derivative Financial Instruments*

The Company is not engaged in any derivative contracts.

*Measurement of Financial Instruments*

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Additional disclosure on the measurement of fair value of financial instruments has been provided in note 9.

(g) Provisions

*Rehabilitation Provision*

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records management's best estimate of the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Provisions (Continued)**

*Other Provisions*

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

**(h) Income Taxes**

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**(i) Government Grants**

From time to time the Company receives government incentive programs. Government incentives are accrued when there is reasonable assurance of realization and reflected as a reduction of the related asset or expense. In the event the credits received are less than the amount claimed, the difference will be reflected in the period in which it is determined.

**(j) Share Capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants, and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as private placement units. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated to the warrants and common shares issued based on the relative fair values of the components.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Earnings / Loss Per Share**

Basic earnings / loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings / loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Shares held in escrow, other than where their release is subject to the passage of time, are excluded from the computation of loss per share until the conditions for their release are satisfied.

**(l) Share-based Payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share based payments are reflected in contributed surplus, until exercised. Upon exercise shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

WCB Resources Ltd makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

**(a) Rehabilitation Provisions**

Management's best estimates regarding the rehabilitation provisions have been created based on WCB Resources' internal estimates. Assumptions, based on the current economic environment have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. Based on management's best estimate, the Company does not have a rehabilitation obligation as at November 30, 2011 (May 31, 2011 - \$nil)

**(b) Exploration and Evaluation Expenditure**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

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

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

**(d) Share-based Payment Transactions**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

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**5. RECLAMATION BOND**

The Company has purchased a \$5,000 guaranteed investment certificate ("GIC"), required for a reclamation bond with the Ministry of Energy, Mines & Petroleum Resources Division in the Province of B.C. This is a variable interest rate GIC that matures on May 17, 2012. The effective interest rate at the time of reinvestment was 0.95%.

**6. EXPLORATION & EVALUATION ASSETS**

	Maroon Property	Red Hill Project	Other	Total
Balance: June 1, 2010 (note 13)	\$40,000	\$-	\$-	\$40,000
Exploration costs				
Assays	3,177	19,910	-	23,087
Consulting & Administration	18,500	29,683	-	48,183
Drilling	52,052	-	-	52,052
Field and miscellaneous	56,236	-	-	56,236
Geological and geophysical	39,815	1,369	-	41,184
BC Mining Tax Credit	(6,000)	-	-	(6,000)
	163,780	50,962	-	214,742
Balance: May 31, 2011	203,780	50,962	-	254,742
Exploration costs				
Consulting & Administration	-	89,721	45,881	135,602
Drilling	-	3,437	-	3,437
Geological and geophysical	-	22,767	4,755	27,522
	-	115,925	50,636	166,561
Balance: November 30, 2011	203,780	166,887	50,636	421,303

The impairment assessment of exploration and evaluation assets resulted in no amounts being written off the Company's properties.

(a) Maroon Property

In April 2010, the Company entered into a Property option agreement with Angel Jade Mines Ltd. ("Angel Jade") under which the Company has acquired the right to earn a 100% undivided interest in and to the Maroon Property (subject to a 2.0% net smelter return royalty), by paying Angel Jade an aggregate of \$165,000 in cash, issuing to the vendor an aggregate of 350,000 common shares of WCB and expending an aggregate of \$200,000 on the Maroon Property as follows:

- (i) \$15,000 in cash (paid) and 100,000 common shares (issued) upon completion of the Qualifying Transaction;
- (ii) Expenditures of a minimum of \$200,000 on the Maroon Property within 12 months of the completion of the Transaction; and
- (iii) \$150,000 in cash and 250,000 common shares within 24 months of the completion of the Qualifying Transaction.

As of November 30, 2011, WCB has fulfilled all obligations required upon completion of the Qualifying Transaction and within the 12 months following the completion of the Qualifying Transaction (paying \$15,000 cash to the Vendor and issuing 100,000 common shares, and making expenditures of \$200,000). The remaining obligations must be satisfied on or before April 8, 2012.

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**6. EXPLORATION & EVALUATION ASSETS (Continued)**

**(b) Red Hill Project**

On August 20, 2010, the Company entered into an Option Agreement with Elephant Mines Pty Ltd. ("Elephant") whereby the Company can acquire up to 100% of Elephant's 100% owned interest in the Red Hill copper gold project in central New South Wales, Australia (the "Property").

To acquire an undivided 50.1% right, title and interest in and to the Property:

- (i) WCB must incur an aggregate of A\$1,000,000 of expenditures on the Property during the five year period (the "Option Period") commencing with the date the Option Agreement is approved by the TSX-V (the "Effective Date"). These expenditures include a minimum of A\$40,000 per tenement per year commencing on September 7, 2010 and each anniversary date of September 7, 2010 thereafter during the Option Period; and
- (ii) Following WCB attaining favorable geological results on the Property and upon the recommendations of its geologists, the completion of a minimum 400 meter depth drill hole on the Property within two years from the Effective Date.

In addition to the above and commencing on the Effective Date, WCB will pay Elephant A\$30,000 annually for a period of five years or until it has earned a 100% interest in the Property, whichever is completed earlier.

At any time during the Option Period, WCB may acquire a full 100% interest in and to the Property by paying A\$1,000,000 in cash and common shares of the Company ("the Second Option Price") to Elephant, provided that no more than 50% of the Second Option Price may be payable in common shares of the Company.

As of November 30, 2011, WCB is current in all of its obligations for the Red Hill Project.

**7. SHARE CAPITAL AND RESERVES**

**(a) Common Shares and Contributed Surplus**

The Company is authorized to issue an unlimited number of common share, issuable in series.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the quarter ended November 30, 2011:

- (i) 100,000 options were exercised to purchase 100,000 common shares in the Company at a price of \$0.13 per option for gross proceeds of \$13,000.

**(b) Escrow shares**

On April 9, 2010, 10% of 3,000,000 common shares and 10% of 7,250,000 common shares previously held in escrow were released on the issuance of the Final Exchange Bulletin (the "Initial Release"). An additional 15% (1,537,500 common shares) will be made on the dates 6, 12, 18, 24, 30 and 36 months following the Initial Release. While in escrow, the escrow shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities.



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**7. SHARE CAPITAL AND RESERVES (Continued)**

**(b) Escrow shares (Continued)**

Details of the status of these escrow shares as at November 30, 2011 are as follows:

Percentage of Shares Held in Escrow	Number of Shares Held in Escrow	Number of Shares Released from Escrow	Date of Release from Escrow
10%	-	1,025,000	April 9, 2010
15%	-	1,537,500	October 9, 2010
15%	-	1,537,500	April 9, 2011
15%	-	1,537,500	October 9, 2011
15%	1,537,500	-	April 9, 2012
15%	1,537,500	-	October 9, 2012
15%	1,537,500	-	April 9, 2013
100%	4,612,500	5,637,500	

**(c) Share Purchase Warrants**

Details of the status of the Company's warrants as at November 30, 2011 and changes during the period ended are as follows:

	Number of Warrants
Balance, June 1, 2010	8,450,000
Exercised warrants	(400,000)
Warrants outstanding and exercisable as at May 31, 2011	8,050,000
Issue of warrants	2,500,000
Exercised warrants	(200,000)
Warrants outstanding and exercisable as at November 30, 2011	10,350,000

The warrants outstanding at November 30, 2011 are as follows:

Number of Warrants	Exercise Price	Expiry Date
7,850,000	\$ 0.10	April 8, 2013
1,500,000	\$ 0.35	July 15, 2012
1,000,000	\$ 0.35	July 22, 2012

**(d) Nature and purpose of equity and reserves**

The reserves recorded in equity in the Company's statement of financial position include 'Contributed Surplus' and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from period to period.

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**8. SHARE-BASED PAYMENTS**

**(a) Option Plan Details**

The Company has a stock option plan ("Plan") under which it is authorized to grant options to officers, directors, employees and consultants in consideration for services.

Under the terms of the Plan, the exercise price of each option will not be lower than the market price of the Company's shares on the TSX-V at the time of grant. Options granted may have a maximum term of five years. Vesting terms are determined at the time the options are granted. The aggregate number of shares that may be reserved for issuance to satisfy the exercise of options granted under the Plan may not exceed 2,990,000 of the issued shares at the time of grant and to each individual may not exceed 5% of the issued shares.

Details of the status of the Company's stock options as at November 30, 2011 and changes during the period ended are as follows:

	Six months ended November 30, 2011		Year ended May 31, 2011	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	1,350,000	\$ 0.11	1,942,500	\$ 0.11
Granted	2,250,000	\$ 0.25	-	-
Exercised	(710,000)	\$ 0.10	(100,000)	\$ 0.10
Expired	-	-	(492,500)	\$ 0.13
Options outstanding, end of period	2,890,000	\$ 0.22	1,350,000	\$ 0.10
Options exercisable, end of period	640,000	\$ 0.10	1,325,000	\$ 0.10

The stock options outstanding at November 30, 2011 are as follows:

Expiry Date	Number of Options	Weighted Average Remaining Contractual Life (years)
October 10, 2012	200,000	
July 10, 2014	2,250,000	
April 8, 2015	440,000	
	2,890,000	2.6

**(b) Fair value of Options Issued During the Period**

The weighted average fair value at grant date of options granted during the six month period ended November 30, 2011 was \$0.03 per option (May 31, 2011: \$0.10).

*Options issued to employees*

The fair value at grant date is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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**8. SHARE-BASED PAYMENTS (Continued)**

*Options issued to non-employees*

Options issue to non-employees are measured based on the fair value of the goods or services received at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using the Black-Scholes option pricing model.

The model inputs for options granted during the six month period ended November 30, 2011 included:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
June 29, 2011	July 10, 2014	\$0.17	\$0.25	1.55%	3.03	44.11%	0.00%

The expected volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

**(c) Expenses arising from Share-Based Payment Transactions**

Total expenses arising from shared-based payment transactions recognized during the quarter as part of employee benefit expense were \$14,019 (3 months ended November 30, 2010: \$14,228).

**9. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company classifies its cash as held-for-trading; reclamation bond as held-to-maturity; and accounts payable and accrued liabilities as other financial liabilities.

**(a) Fair value**

The carrying values of cash, reclamation bond, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

**(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and reclamation bond. The Company is not exposed to significant credit risk as its cash and reclamation bond are placed with a major Canadian financial institution.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal terms of trade.

**(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 of three types of risk: foreign currency exchange risk, interest rate risk, and other price risk. The Company is not exposed to significant market risk.

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**10. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its property.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will be able to continue this form of financing due to uncertain economic conditions. The Company believes that it has sufficient funds to fund its working capital for the coming year.

There have been no changes to the Company's approach to capital management during the period.

**11. RELATED PARTY TRANSACTIONS**

During the quarter, the Company incurred \$90,171 in consulting fees with directors of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

**12. SUBSEQUENT EVENTS**

On December 20, 2011, the Company announced that, through its wholly owned subsidiary, WCB Pacific Pty Ltd, it had entered into an exploration Farm-In Agreement with Pan Pacific Copper ("PPC") covering EL1747 located on Misima Island, Papua New Guinea.

Under the terms and conditions of the exploration Farm-In Agreement, the Company can earn up to a 70% interest in EL1747 Misima by spending a total of AUD9.0M within a 4 year timeframe as follows:

1. The Company shall earn a 30% interest in Gallipoli for the expending AUD1.0M within the first 12 months (Year 1);
2. it shall earn a further 19% interest (for a total interest of 49%) by expending a further AUD3.0M within the second 12 months (Year 2); and
3. it shall earn a further and final 21% interest (for a total interest of 70%) by expending a further AUD5.0M within the final 24 months of the Farm-In period (Years 3 and 4).

Should the Company elect not to proceed further to earn additional option interests at any time after earning its initial 30% interest or to fully earn the full 70% interest, the parties will enter into a joint venture in which standard dilution formulas will apply for non-contribution. PPC retain the right to an offtake agreement for all mineral production within EL1747 based on prevailing metal prices and a commercial terms basis.

The Farm-in Agreement is subject to standard conditions precedent including PPC and Gallipoli Board approvals and PNG regulatory approvals.

There have been no other events since November 30, 2011 that impact upon the financial report as at November 30, 2011.

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**13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Company's financial statements for the year-ending May 31, 2012 are the first annual financial statements that will be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was June 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be May 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian generally accepted accounting principles ("pre-changeover Canadian GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

The IFRS 1 applicable exemptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

**(a) Optional Exemptions**

*Share-based Payment Transactions*

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date.

**(b) Mandatory Exemptions**

*Derecognition of Financial Assets and Liabilities*

The Company has applied the derecognition requirements in IAS 39, Financial Instruments: Recognition and Measurement, prospectively from the Transition Date. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the Transition Date in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39.

**(c) Reconciliations of Pre-changeover Canadian GAAP Equity and Comprehensive Income to IFRS**

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position, statements of comprehensive income and statements of cash flows are as shown below.

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13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Financial Position as at June 1, 2010 - Transition Date

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash		\$632,787	\$ -	\$632,787
Reclamation bond		5,000	-	5,000
Prepays		3,534	-	3,534
Other receivables		313	-	313
<b>Total current assets</b>		<b>641,634</b>	<b>-</b>	<b>641,634</b>
<b>Mineral Property</b>		<b>40,000</b>	<b>-</b>	<b>40,000</b>
<b>TOTAL ASSETS</b>		<b>\$681,634</b>	<b>\$ -</b>	<b>\$681,634</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities		\$31,484	\$ -	\$31,484
<b>Shareholders' Equity</b>				
Capital Stock		637,497	-	637,497
Contributed Surplus		323,299	-	323,299
Deficit		(310,646)	-	(310,646)
<b>Total shareholders' equity</b>		<b>650,150</b>	<b>-</b>	<b>650,150</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>\$681,634</b>	<b>\$ -</b>	<b>\$681,634</b>

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13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Financial Position as at November 30, 2010

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash		\$326,925	\$ -	\$326,925
Reclamation bond		5,000	-	5,000
Prepays		4,911	-	4,911
Other receivables		3,935	-	3,935
<b>Total current assets</b>		<b>340,771</b>	<b>-</b>	<b>340,771</b>
<b>Mineral Property</b>		<b>260,742</b>	<b>-</b>	<b>260,742</b>
<b>TOTAL ASSETS</b>		<b>\$601,513</b>	<b>\$ -</b>	<b>\$601,513</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities		\$1	\$ -	\$1
<b>Shareholders' Equity</b>				
Capital Stock		663,699	-	663,699
Contributed Surplus		334,298	2,122	336,420
Deficit		(396,485)	(2,122)	(398,607)
<b>Total shareholders' equity</b>		<b>601,512</b>	<b>-</b>	<b>601,512</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>\$601,513</b>	<b>\$ -</b>	<b>\$601,513</b>

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13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Financial Position as at May 31, 2011

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash		\$326,905	\$ -	\$326,905
Reclamation bond		5,000	-	5,000
Prepays		5,014	-	5,014
Other receivables		2,813	-	2,813
<b>Total current assets</b>		<b>339,732</b>	<b>-</b>	<b>339,732</b>
<b>Mineral Property</b>		<b>254,742</b>	<b>-</b>	<b>254,742</b>
<b>TOTAL ASSETS</b>		<b>\$594,474</b>	<b>\$ -</b>	<b>\$594,474</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities		\$14,283	\$ -	\$14,283
<b>Shareholders' Equity</b>				
Capital Stock		712,199	-	712,199
Contributed Surplus	(i)	300,428	1,209	301,637
Deficit	(i)	(432,436)	(1,209)	(433,645)
<b>Total shareholders' equity</b>		<b>580,191</b>	<b>-</b>	<b>580,191</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>\$594,474</b>	<b>\$ -</b>	<b>\$594,474</b>



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13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Comprehensive Loss/Income for the Three Months Ended November 30, 2010

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>INTEREST AND OTHER INCOME</b>				
Interest received		\$(11)	\$ -	\$(11)
Other income		(934)	-	(934)
<b>Total income</b>		<b>(945)</b>	<b>-</b>	<b>(945)</b>
<b>EXPENSES</b>				
Professional fees		1,320	-	1,320
Administration		3,354	-	3,354
Operating expenses		370	-	370
Consulting Fees		12,500	-	12,500
Transfer Agent and Filing Fees		3,166	-	3,166
Stock-based compensation	(i)	13,527	701	14,228
<b>Total expenses</b>		<b>34,237</b>	<b>701</b>	<b>34,938</b>
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>\$33,292</b>	<b>\$701</b>	<b>\$33,993</b>
Loss per common share - basic and diluted		<b>\$0.002</b>	<b>\$ -</b>	<b>\$0.002</b>
Weighted average number of common shares outstanding		14,950,000	-	14,950,000

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13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Comprehensive Loss/Income for the Six Months Ended November 30, 2010

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>INTEREST AND OTHER INCOME</b>				
Interest received		\$ (13)	\$ -	\$ (13)
Other income		(1,186)	-	(1,186)
<b>Total income</b>		<b>(1,199)</b>	<b>-</b>	<b>(1,199)</b>
<b>EXPENSES</b>				
Professional fees		\$1,320	-	\$1,320
Administration		10,188	-	10,188
Operating expenses		5,575	-	5,575
Consulting Fees		37,942	-	37,942
Transfer Agent and Filing Fees		4,812	-	4,812
Stock-based compensation	(i)	27,201	2,122	29,323
<b>Total expenses</b>		<b>87,038</b>	<b>2,122</b>	<b>89,160</b>
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>\$85,839</b>	<b>\$2,122</b>	<b>\$87,961</b>
Loss per common share - basic and diluted		<b>\$0.006</b>	<b>\$ -</b>	<b>\$0.006</b>
Weighted average number of common shares outstanding		14,894,658	-	14,894,658

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13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Comprehensive Loss/Income for the Year Ended May 31, 2011

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>INTEREST AND OTHER INCOME</b>				
Interest received		\$ (98)	\$ -	\$ (98)
<b>EXPENSES</b>				
Professional fees		20,568	-	20,568
Administration		16,389	-	16,389
Operating expenses		5,575	-	5,575
Consulting Fees		63,302	-	63,302
Transfer Agent and Filing Fees		15,424	-	15,424
Stock-based compensation	(i)	1,831	1,209	3,040
Foreign exchange gain		(1,201)	-	(1,201)
<b>Total expenses</b>		<b>121,888</b>	<b>1,209</b>	<b>123,097</b>
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>\$121,790</b>	<b>\$ 1,209</b>	<b>\$122,999</b>
Loss per common share - basic and diluted		\$0.008	-	\$0.008
Weighted average number of common shares outstanding		15,028,630	-	15,028,630

**WCB RESOURCES LTD.**  
 (formerly WCB Capital Ltd.)  
 (An Exploration Stage Company)

**Notes to the Condensed Interim Financial Statements (Unaudited)**

Expressed in Canadian Dollars

November 30, 2011

13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Cash Flows for the Six Months Ended November 30, 2010

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	(i)	\$(85,839)	\$(2,122)	\$(87,961)
Adjustments to reconcile loss to net cash used in operating activities:				
Share-based payments	(i)	27,201	2,122	29,323
Changes in non-cash working capital items				
Prepaid expenses		(1,377)	-	(1,377)
Other receivables		(3,622)	-	(3,622)
Accounts payable and accrued liabilities		(31,483)	-	(31,483)
<b>Total cash inflows (outflows) from operating activities</b>		<b>(95,120)</b>	<b>-</b>	<b>(95,120)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Expenditures on exploration and evaluation assets		(220,742)	-	(220,742)
<b>Total cash inflows (outflows) from investing activities</b>		<b>(220,742)</b>	<b>-</b>	<b>(220,742)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Exercise of options, for cash		10,000	-	10,000
<b>Total cash inflows (outflows) from financing activities</b>		<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Total increase (decrease) in cash during the period</b>		<b>\$(305,862)</b>	<b>\$-</b>	<b>\$(305,862)</b>

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**Notes to the Condensed Interim Financial Statements (Unaudited)**

Expressed in Canadian Dollars

November 30, 2011

13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Statement of Cash Flows for the Year Ended May 31, 2011

	Sub note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	(i)	\$(121,790)	\$(1,209)	\$(122,999)
Adjustments to reconcile loss to net cash used in operating activities:				
Share-based payments	(i)	1,831	1,209	3,040
Unrealized foreign exchange loss		(6,781)	-	(6,781)
Changes in non-cash working capital items				
Prepaid expenses		(1,480)	-	(1,480)
Other receivables		(2,500)	-	(2,500)
Accounts payable and accrued liabilities		(11,201)	-	(11,201)
<b>Total cash inflows (outflows) from operating activities</b>		<b>(141,921)</b>	<b>-</b>	<b>(141,921)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Expenditures on exploration and evaluation assets		(220,742)	-	(220,742)
<b>Total cash inflows (outflows) from investing activities</b>		<b>(220,742)</b>	<b>-</b>	<b>(220,742)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Exercise of options, for cash		10,000	-	10,000
Exercise of warrants, for cash		40,000	-	40,000
<b>Total cash inflows (outflows) from financing activities</b>		<b>50,000</b>	<b>-</b>	<b>50,000</b>
<b>Foreign Exchange Effect on Cash</b>		<b>6,781</b>	<b>-</b>	<b>6,781</b>
<b>Total increase (decrease) in cash during the period</b>		<b>\$(305,882)</b>	<b>\$-</b>	<b>\$(305,882)</b>

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**Notes to the Condensed Interim Financial Statements (Unaudited)**

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November 30, 2011

**13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)**

The Canadian GAAP statement of shareholders' equity at June 1, 2010 has been reconciled to IFRS as follows:

	Capital stock	Contributed Surplus	Deficit	Total Equity
Beginning Balance	\$637,497	\$323,299	\$(310,646)	\$650,150
Effect of transition to IFRS	-	-	-	-
Balance at June 1, 2010	\$637,497	\$323,299	\$(310,646)	\$650,150

The Canadian GAAP statement of shareholders' equity at November 30, 2010 has been reconciled to IFRS as follows:

	Capital stock	Contributed Surplus	Deficit	Total Equity
Beginning Balance	\$663,699	\$334,298	\$(396,485)	\$601,512
Effect of transition to IFRS	-	2,122	(2,122)	-
Balance at November 30, 2010	\$663,699	\$336,420	\$(398,607)	\$601,512

The Canadian GAAP statement of shareholders' equity at May 31, 2011 has been reconciled to IFRS as follows:

	Capital stock	Contributed Surplus	Deficit	Total Equity
Beginning Balance	\$712,199	\$300,428	\$(432,436)	\$580,191
Effect of transition to IFRS	-	1,209	(1,209)	-
Balance at May 31, 2011	\$712,199	\$301,637	\$(433,645)	\$580,191

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**Notes to the Condensed Interim Financial Statements (Unaudited)**

Expressed in Canadian Dollars

November 30, 2011

**13. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)**

Explanations For The Adjustments Are As Follows:

**(i) Share-based Payments**

Pre-changeover Canadian GAAP allows the Company to calculate the fair value of share-based payments on all awards granted and recognizes the expense from the date of grant over the vesting period using the graded vesting methodology. The Company determines the fair value of stock options granted using the Black-Scholes option pricing model.

IFRS 2 requires each tranche in an award with graded vesting to be considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

**(ii) Deferred Income Taxes**

As a result of the transition to IFRS the carrying amounts of various assets and liabilities have been adjusted (see (i) above). There has not been a corresponding change to the tax basis of these assets and liabilities. This will not impact the deferred taxes recognized, as the Company has and will continue to take a valuation allowance on its deferred tax assets. However, this will impact the disclosure of individual temporary differences.