Interim Unaudited Financial Statements of

DOT RESOURCES LTD.

Six Months Ended June 30, 2011

Notice of No Auditor Review of Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Corporation discloses that its auditors have not reviewed these unaudited interim financial statements as at and for the six months ended June 30, 2011 and 2010.

DOT RESOURCES LTD.

Interim Statements of Financial Position
(Unaudited)

As at	June 30, 2011	December 31, 2010 (See note 3)	January 1, 2010 (See note 3)
Assets			
Current assets:			
Cash and cash equivalents	$ 16,741	$ 47,089	$ 131,363
Trade and other receivables	1,277	4,102	39,155
Total current assets	18,018	51,191	170,518
Non-current assets:			
Intangible assets (note 6)	3,517,141	3,516,241	3,237,404
Total non-current assets	3,517,141	3,516,241	3,237,404
	$ 3,535,159	$ 3,567,432	$ 3,407,922
Liabilities and equity			
Current liabilities:			
Loan from Alhambra Resources Ltd.	$ 400,000	$ 400,000	$ –
Trade and other payables	397,502	405,240	313,864
Total current liabilities	797,502	805,240	313,864
Non-current liabilities:			
Deferred credit premium on flow through shares	–	–	43,083
Total non-current liabilities	–	–	43,083
Total liabilities	797,502	805,240	356,947
Equity:			
Share capital (note 7(b))	2,919,231	2,919,231	2,919,231
Warrants (note 7 (c))	338,537	338,537	338,537
Contributed surplus (note 7 (d))	760,005	751,995	663,949
Deficit	(1,280,116)	(1,247,571)	(870,742)
	2,737,657	2,762,192	3,050,975
	$ 3,535,159	$ 3,567,432	$ 3,407,922

Reporting entity, nature of operations and going concern (note 1)

See accompanying notes to financial statements.

DOT RESOURCES LTD.

Interim Statements of Income and Expense
Three and six months ended June 30, 2011 and 2010
(Unaudited)

	Three Months Ended 2011	Three Months Ended June 30, 2010 (see note 3)	Six Months Ended 2011	Six Months Ended June 30, 2010 (see note 3)
Expenses:				
Administrative expenses (note 5)	$ 17,913	$ 114,654	$ 32,545	$ 230,867
Loss before income taxes	17,913	114,654	32,545	230,867
Income tax expenses:				
Deferred tax expense (reduction)	–	–	–	(43,083)
Net loss and comprehensive loss	17,913	81,953	32,545	187,784
Per share (note 9):				
Net loss per share, basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.00

See accompanying notes to financial statements.

DOT RESOURCES LTD.

Interim Statements of Changes in Equity
(Unaudited)

	Issued Share Capital	Warrants	Contributed surplus	Deficit	Total
Balance, January 1, 2010 (See note 3)	$ 2,919,231	$ 338,537	$ 663,949	$ (870,742)	$ 3,050,975
Share-based payments expense	–	–	60,924	–	60,924
Net loss and comprehensive loss	–	–	–	(187,784)	(187,784)
Balance, June 30, 2010	2,919,231	338,537	724,873	1,058,526	2,924,115
Share-based payments expense	–	–	27,122	–	27,122
Net loss and comprehensive loss	–	–	–	(189,045)	(189,045)
Balance, December 31, 2010	2,919,231	338,537	751,995	(1,247,571)	2,762,192
Share-based payments expense	–	–	8,010	–	7,275
Net loss and comprehensive loss	–	–	–	(32,545)	(14,632)
Balance, June 30, 2011	$ 2,919,231	$ 338,537	$ 760,005	$ (1,280,116)	$ 2,737,657

For details on movement in shares see note 7.

See accompanying notes to financial statements.

DOT RESOURCES LTD.

Interim Statements of Cash Flows
Six months ended June 30, 2011 and 2010
(Unaudited)

	2011	2010
Cash provided by (used in):		
Operating:		
Net loss	$ (32,545)	$ (187,784)
Item not involving cash:		
Share-based payment	8,010	60,924
Deferred income tax reduction	–	(43,083)
	(24,535)	(169,943)
Change in non-cash working capital (note 7)	(4,913)	169,306
	(29,448)	(637)
Investing:		
Exploration intangible assets exploration and development costs	(900)	(262,223)
Change in non-cash working capital (note 7)	–	194,951
	(900)	(67,272)
Change in cash and cash equivalents	(30,348)	(67,909)
Cash and cash equivalents, beginning of period	47,089	131,363
Cash and cash equivalents, end of period	$ 16,741	$ 63,454

See accompanying notes to financial statements.

1. Reporting entity, nature of operations and going concern:

(a) Reporting entity and nature of operation:

DOT Resources Ltd. (the "Corporation" or "DOT") was incorporated on May 17, 2007 under the Business Corporations Act (Alberta). The Corporation's common shares trade in Canada on the TSX Venture Exchange Inc.under the symbol DOT.V.

The Corporation's registered address, head office and records office are located at Suite 3A, 4015 – 1st Street S.E. Calgary, Alberta, Canada T2G 4X7.

On June 25, 2007, the Corporation entered into an Arrangement Agreement (the "Arrangement") with Alhambra Resources Ltd. ("Alhambra"). Under the terms of the Arrangement, which became effective August 29, 2007, Alhambra transferred, at Alhambra's carrying amount of $933,424, its 100% interest in its claim units located in the Province of British Columbia, together with related assets and obligations pertaining thereto (the "Properties"), in exchange for 30,000,000 common shares of the Corporation.

The Corporation is a development stage Corporation. The business of DOT consists of the exploration and development of its Properties. The Corporation is in the process of exploring its Properties and has not yet determined whether these Properties contain reserves that are economically recoverable.

(b) Going concern:

For the six months ended June 30, 2011, the Corporation incurred a net loss of $32,545, had a working capital deficiency of $779,484 at June 30, 2011 and had an accumulated deficit to June 30, 2011 of $1,280,116. As DOT is a development stage corporation, it has no sources of revenue therefore its ability to continue to meet its obligations, conduct exploration activities and continue as a going concern is dependent upon the possible exercise of outstanding common share purchase warrants expiring on September 23, 2011 and DOT's ability to raise additional capital to fund exploration activities and meet its obligations. There is no assurance at this time that the Corporation will be able to obtain the necessary financing. If DOT is unable to obtain suitable financing in the near future, it will be necessary for the Corporation to examine other strategic alternatives to continue operations and enhance shareholder value, including but not limited to, seeking creditor protection, seeking a joint venture partner, the possible sale of some or all of the Corporation's assets or the merger, amalgamation or sale of the Corporation with or to a larger, better financed entity.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. If the going concern assumption was not appropriate for these financial statements, then material adjustments would be necessary to the carrying amounts of the assets and liabilities, the reported expenses and the balance sheet classifications used.

2. Basis of preparation:

(a) Statement of compliance:

These interim financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). These are the Corporation's first financial statements prepared in accordance with IFRS and IFRS 1 '*First-time Adoption of International Financial Reporting Standards'* has been applied.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Corporation is provided in note 3. This note includes reconciliations of equity and total comprehensive loss for comparative periods and of equity at the date of transition under Canadian GAAP to those reported for those periods and at the date of transition under IFRS.

As 2011 is the first year that the Corporation is preparing its financial statements in accordance with IFRS, the Corporation's disclosures exceed the minimum requirements under IAS 34. The Corporation has elected to exceed the minimum requirements in order to present the Corporation's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Corporation's 2010 annual audited financial statements prepared in accordance with Canadian GAAP. In 2012, and beyond, the Corporation may not provide the same amount of disclosure in the Corporation's interim financial statements under IFRS as the reader will be able to rely on the annual audited financial statements which will be prepared in accordance with IFRS.

These interim financial statements were authorized by the Corporation's board of directors on August 23, 2011.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the financial instruments at fair value through profit or loss which are measured at fair value.

(c) Use of estimates and judgments:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 6 – valuation of intangible assets;

Note 7 – measurement of share-based payments; and

Note 11 – valuation of financial instruments.

3. First time adoption of IFRS:

The financial statements for the three months ended March 31, 2011 and 2010 were the Corporation's first financial statements prepared under IFRS. For all accounting periods prior to this, the Corporation prepared its financial statements under generally accepted accounting principles in the Canada ('Canadian GAAP'). In accordance with IFRS 1 'First time adoption of IFRS', certain disclosures relating to the transition to IFRS are given in this note. These disclosures are prepared under IFRS as set out in the basis of preparation in note 2.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the six months ended June 30, 2011 and 2010, the comparative information presented in these financial statements for the year ended December 31, 2010 and in the preparation of an opening IFRS statement of financial position at January 1, 2010 (the Corporation's date of transition).

IFRS 1 First-time Adoption of International Financial Reporting Standards sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards applicable at June 30, 2011 are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Corporation has applied the following exemptions to its opening statement of financial position dated January 1, 2010:

(a) Business combinations:

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Corporation has taken advantage of this election and therefore has only applied IFRS 3 to business combinations that occurred on or after January 1, 2010.

(b) Share-based payment transactions:

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payments to Equity Instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Corporation has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which had been accounted for in accordance with Canadian GAAP.

The Canadian GAAP statement of financial position at January 1, 2010 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		$ 131,363	$ –	$ 131,363
Trade and other receivables		39,155	–	39,155
Total current assets		170,518	–	170,518
Non-current assets:				
Mineral properties and deferred exploration and development cost	(a)	3,237,404	(3,237,404)	–
Intangible assets	(a)	–	3,237,404	3,237,404
Total non-current assets		3,237,404	–	3,237,404
Total assets		$ 3,407,922	$ –	$ 3,407,922
Liabilities & equity				
Current liabilities:				
Trade and other payables		$ 313,864	$ –	$ 313,864
Total current liabilities		313,864	–	313,864
Non-current liabilities:				
Deferred credit premium on flow-through shares	(d)	–	43,083	43,083
Total non-current liabilities		–	43,083	43,083
Total liabilities		313,864	43,083	356,947
Equity:				
Share capital	(c)	3,090,043	(170,812)	2,919,231
Warrants		338,537	–	338,537
Contributed surplus	(b)	666,783	(2,834)	663,949
Deficit	(e)	(1,001,305)	130,563	(870,742)
Total equity		3,094,058	(43,083)	3,050,975
Total liabilities and equity		$ 3,407,922	$ –	$ 3,407,922

Explanation of the effect of the transition to IFRS:

The following explains the material adjustments to the statement of financial position of the Corporation as at January 1, 2010:

(a) Reclassification of cost from mineral properties and deferred exploration and development cost to intangible assets:

In accordance with IAS 38 and IFRS 6 the Corporation reallocated costs relating to exploration and evaluation from mineral properties and deferred exploration and development cost to intangible assets.	$ 3,237,404
Effect – increase in intangible assets and decrease in mineral properties and deferred exploration and development cost.	$ 3,237,404

(b) Impact of revaluation of options as a result of the reclassification of certain consultants to employees on adoption of IFRS 2.	$ 2,834
Effect – decrease in contributed surplus and decrease in deficit.	$ 2,834

(c) Impact of flow-through units accounted as per IFRS on share capital:

Premium on flow-through shares under IFRS recorded as a premium liability with an offsetting decrease to share capital.	$ 170,812
Effect – decrease in share capital and decrease in deficit.	$ 170,812

(d) Impact of flow through units accounted as per IFRS on premium on flow-through shares under IFRS:

Premium on flow-through shares under IFRS recorded as a premium liability with an offsetting decrease to share capital.	$ 170,812
Deferred tax reduction transferred to deficit.	$ (127,729)
Effect – Net increase in deferred credit premium on flow through shares.	$ 43,083

(e) Cumulative impact of above – decrease in deficit.	$ 130,563

The Canadian GAAP statement of financial position at June 30, 2010 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		$ 63,454	$ –	$ 63,454
Trade and other receivables		4,765	–	4,765
Total current assets		68,219	–	68,219
Non-current assets:				
Mineral properties and deferred exploration and development cost	(a)	3,499,627	(3,499,627)	–
Intangible assets	(a)	–	3,499,627	3,499,627
Total non-current assets		3,499,627	–	3,499,627
Total assets		$ 3,567,846	$ –	$ 3,567,846
Liabilities & equity				
Current liabilities:				
Trade and other payables		$ 643,731	$ –	$ 643,731
Total current liabilities		643,731	–	643,731
Total liabilities		643,731	–	643,731
Equity:				
Share capital	(c)	2,876,528	42,703	2,919,231
Warrants		338,537	–	338,537
Contributed surplus	(b)	725,407	(534)	724,837
Deficit	(d)	(1,016,357)	(42,169)	(1,058,526)
Total equity		2,924,115	–	2,924,115
Total liabilities and equity		$ 3,567,846	$ –	$ 3,567,846

Explanation of the effect of the transition to IFRS:

The following explains the material adjustments to the statement of financial position of the Corporation as at June 30, 2010:

(a) Reclassification of cost from mineral properties and deferred exploration and development cost to intangible assets:	
In accordance with IAS 38 and IFRS 6 the Corporation reallocated costs relating to exploration and evaluation from mineral properties and deferred exploration and development cost to intangible assets.	$ 3,499,627
Effect – increase in intangible assets and decrease in mineral properties and deferred exploration and development cost.	$ 3,499,627
(b) Impact of revaluation of options as a result of the reclassification of certain consultants to employees on adoption of IFRS 2.	$ 534
Effect – decrease in contributed surplus and decrease in deficit.	$ 534
(c) Impact of flow-through units accounted as per IFRS on share capital:	
Effect – Increase in share capital and increase in deficit.	$ (42,703)
(d) Cumulative impact of above – increase in deficit.	$ (42,169)

The Canadian GAAP income statement for the six months and three months ended June 30, 2010 has been reconciled to IFRS as follows:

Six months ended June 30, 2010	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses:				
Administrative costs	(a)	$ 228,567	$ 2,300	$ 230,867
Loss before income taxes		228,567	2,300	230,867
Income taxes		–	–	–
Deferred income tax expense (reduction)	(b)	(213,515)	170,432	(43,083)
Net income (loss) for the period		$ (15,052)	$ (172,732)	$ (187,784)
Income (Loss) per share:				
Basic and diluted		$ (0.00)		$ (0.00)

Three months ended June 30, 2010	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses:				
Administrative costs	(a)	$ 81,953	$ 32,701	$ 114,654
Loss before income taxes		81,953	32,701	114,654
Income taxes		–	–	–
Deferred income tax expense (reduction)	(b)	–	–	–
Net income (loss) for the period		$ 81,953	$ 32,701	$ 114,654
Income (Loss) per share:				
Basic and diluted		$ (0.00)		$ (0.00)

Explanation of the effect of the transition to IFRS

The following explains the material adjustments to the income statement for the six months ended June 30, 2010.

(a) Impact of revaluation of options as a result of the reclassification of certain consultants to employees on adoption of IFRS 2.

(b) Impact of flow-through units accounted as per IFRS on deferred tax reduction.

The Canadian GAAP statement of financial position at December 31, 2010 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		$ 47,089	$ –	$ 47,089
Trade and other receivables		4,102	–	4,102
Total current assets		51,191	–	51,191
Non-current assets:				
Mineral properties and deferred exploration and development cost	(a)	3,516,241	(3,516,241)	–
Intangible assets	(a)	–	3,516,241	3,516,241
Total non-current assets		3,516,241	–	3,516,241
Total assets		$ 3,567,432	$ –	$ 3,567,432
Liabilities & equity				
Current liabilities:				
Loan from Alhambra Resources Ltd.		$ 400,000	$ –	$ 400,000
Trade and other payables		405,240	–	405,240
Total current liabilities		805,240	–	805,240
Total liabilities		805,240	–	805,240
Equity:				
Share capital	(c)	2,876,528	42,703	2,919,231
Warrants		338,537	–	338,537
Contributed surplus	(b)	761,242	(9,247)	751,995
Deficit	(d)	(1,214,115)	(33,456)	(1,247,571)
Total equity		2,762,192	–	2,762,192
Total liabilities and equity		$ 3,567,432	$ –	$ 3,567,432

The following explains the material adjustments to the statement of financial position of the Corporation as at December 31, 2010:

(a) Reclassification of cost from mineral properties and deferred exploration and development cost to intangible assets:	
In accordance with IAS 38 and IFRS 6 the Corporation reallocated costs relating to exploration and evaluation from mineral properties and deferred exploration and development cost to intangible assets.	$ 3,516,241
Effect – increase in intangible assets and decrease in mineral properties and deferred exploration and development cost.	$ 3,516,241
(b) Impact of revaluation of options as a result of the reclassification of certain consultants to employees on adoption of IFRS 2.	$ 9,247
Effect – decrease in contributed surplus and decrease in deficit.	$ 9,247
(c) Impact of flow-through units accounted as per IFRS on premium on flow-through shares under IFRS:	
Effect - Increase to share capital and deficit.	$ 42,703
(d) Cumulative impact of above – Increase in deficit.	$ 33,456

The Canadian GAAP income statement for the year ended December 31, 2010 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses:				
Administrative costs	(a)	$ 426,325	$ (6,413)	$ 419,912
Loss before income taxes		426,325	(6,413)	419,912
Income taxes		–	–	–
Deferred income tax expense (reduction)	(b)	(213,515)	170,432	(43,083)
Net loss and comprehensive loss		$ (212,810)	$ 164,019	$ (376,829)
Loss per share:				
Basic and diluted		$ (0.00)		$ (0.01)

Explanation of the effect of the transition to IFRS

The following explains the material adjustments to the income statement for the year ended December 31, 2010.

(a) Impact of revaluation of options as a result of the reclassification of certain consultants to employees on adoption of IFRS 2.

(b) Impact of flow through units accounted as per IFRS on deferred tax expense (reduction).

Cash flows

The adoption of IFRS has had no impact on the net cash flows of the Corporation. The changes made to the statements of financial position, statements of income and expense and statements of comprehensive income (loss) have resulted in reclassification of various amounts on the statements of cash flows, however as there have been no changes to the net cash flows, no reconciliations have been prepared.

4. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position as at January 1, 2010 for the purposes of transition to IFRS.

(a) Financial instruments:

(i) Non-derivative financial assets:

The Corporation initially recognizes receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation may have the following non-derivative financial assets: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss:

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

Held-to-maturity financial assets:

If the Corporation has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Corporation from classifying investment securities as held-to-maturity for the current and the following two financial years.

Receivables:

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortized cost using the effective interest method, less any impairment losses. Receivables comprise trade and other receivables.

Cash and cash equivalents:

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Corporation's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets:

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

(ii) Non-derivative financial liabilities:

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation has the following non-derivative financial liabilities: loans from Alhambra, provisions and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital:

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Flow-through Shares

Corporation finances a portion of its exploration and development activities through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes related to exploratory development activities are renounced to investors in accordance with tax legislation.

Flow-through shares issued are recorded in share capital at the fair value of common shares on the date of issue. The premium received on issuing flow-through shares is initially recorded as a deferred credit. As qualifying expenditures are incurred, the premium is reversed and a deferred income tax liability is recorded. The net amount is then recognized as deferred income tax expense.

Preferred shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Corporation's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Corporation's shareholders.

(iv) Warrants:

Warrants are classified as equity if they are non-redeemable or redeemable only at the Corporation's option. The fair value of warrants issued is measured indirectly by reference to the equity instruments granted.

(b) Share-based payments:

The Corporation has a share-based payment plan for employees and non-employees as described in note 7(d).

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. In determining the fair value of the share options granted, the Black-Scholes model is used and assumptions are made regarding interest rates, underlying volatility of the Corporation's shares and expected life of the options. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service vesting conditions are met, such that the amount ultimately recognized as an expense is based on the number of awards that actually vest.

Share-based payments to non-employees are accounted for by measuring the fair value of goods or services received directly on the date the Corporation receives the goods or services.

(c) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs not directly attributable to a qualifying asset are expensed in the period incurred.

(d) Income taxes:

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(e) Earnings (loss) per share:

The Corporation presents basic and diluted earnings per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise warrants, broker options and share options granted to employees and non-employees.

(f) Property, plant and equipment:

(i) Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after January 1, 2010.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Exploration and evaluation expenditures:

Pre-license costs are recognized in the statement of operations as incurred.

Exploration and evaluation costs, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. The costs are accumulated in cost centers by field or exploration area pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGUs).

Exploration and evaluation expenditures related to areas of interest are capitalized and carried forward to the extent that:

(i) Rights to tenure of the area of interest are current; and

(ii) (a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or

(b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the areas are continuing.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and probable reserves are determined to exist. The Corporation reviews and evaluates its mining properties for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of exploration results, anticipated future mineral prices, anticipated costs of developing and operating a producing mine and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties. However, properties which have not demonstrated positive exploration results at the conclusion of each phase of an exploration program are re-evaluated to determine if future exploration is warranted and that carrying amounts are appropriate.

Depreciation on equipment utilized in the exploration and evaluation of mineral properties is capitalized to exploration and evaluation costs until such time as these properties commence commercial production. All other costs, including administrative overhead, are expensed as incurred. Revenues from the sale of minerals are credited to exploration and development costs until such time as these properties are considered to have commenced commercial production.

The amount shown for exploration costs includes the direct costs of acquiring, maintaining, exploring properties, an allocation of management fees and salaries based on time spent and other costs directly related to specific properties. Mineral asset development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGU's for impairment testing.

(ii) Subsequent costs:

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized only when it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other expenditures, such as the costs of the day-to-day servicing of property, plant and equipment, are recognized in profit or loss as incurred.

Capitalized mineral assets represent costs incurred in developing proved and/or probable reserves and are accumulated on a field area basis.

(iii) Depreciation:

Once a mineral property reaches commercial production, the accumulated costs of exploration and development costs related to that mineral property are amortized to the statement of income and expense on a unit-of-production basis over economically recoverable gross proved plus probable reserves, determined by the Corporation's independent geological and engineering consultant, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves.

(g) Impairment:

(i) Financial assets:

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Corporation on terms that the Corporation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Corporation considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in unrealized gains/losses on available-for-sale financial assets in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than exploration and evaluation assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. Exploration and evaluation assets are assessed for impairment when they are reclassified to property, plant and equipment, as mineral assets, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are combined together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Finance income and finance costs:

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Corporation's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(i) Provisions:

Provisions are recorded when a present legal or constructive obligation exists as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax non-credit specific rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

The Corporation recognizes the fair value of site reclamation provisions in the period in which it is incurred, when a reasonable estimate of the fair value can be made. The fair value of the estimated reclamation provision is recorded as a liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on the unit-of-production method over proved and probable reserves.

The liability amount is increased each reporting period due to the passage of time and the unwinding of the discount is expensed to income in the period. Actual costs incurred upon the settlement of the reclamation provision are charged against the provision to the extent recorded. Any difference between the actual costs incurred and the reclamation provision recorded is recognized as a gain or loss in earnings in the period the costs are incurred.

(j) Accounting standards issued but not yet effective:

A number of new standards are not yet effective for the period ended June 30, 2011, and have not been applied in preparing these financial statements. The following standards ("IFRS") are assessed to not have a significant impact on the Corporation's financial statements.

(i) IFRS 9 Financial Instruments:

Effective for accounting periods commencing on or after 1 January 2013.

(ii) IFRS 13 Fair Value Measurement

Effective for accounting periods commencing on or after 1 January 2013.

5. Administrative Expenses:

	Three Months Ended 2011	Three Months Ended June 30, 2010 (See note 3)	Six Months Ended 2011	Six Months Ended June 30, 2010 (See note 3)
Management fees	$ –	$ 60,000	$ –	$ 120,000
Share-based payments	735	21,060	8,010	60,924
Stock exchange fees	2,495	3,950	8,095	9,900
Annual general meeting	7,314	6,465	7,314	6,465
Investor relations and news releases	–	580	–	5,400
Transfer agent fees	2,298	2,345	3,900	4,428
Legal	4,537	19,594	4,537	22,484
Other	534	658	689	1,266
	$ 17,913	$ 114,654	$ 32,545	$ 230,867

6. Intangible assets:

	Exploration and evaluation expenditures
Cost:	
Balance as at January 1, 2010 (see note 3)	$ 3,237,404
Additions	278,837
Balance as at December 31, 2010	3,516,241
Additions	900
Balance as at June 30, 2011	$ 3,517,141

Of the $3,517,141 in costs recorded to June 30, 2011 (December 31, 2010 - $3,516,241), a total of $933,424 represents costs expended on the Properties by Alhambra and sold to the Corporation pursuant to the Arrangement (see note 1). The Properties consist of 49 contiguous claim units in south-central British Columbia covering five (5) zones of copper/gold mineralization. No depletion or depreciation has been recorded during the period.

Details of total mineral properties and deferred exploration and development costs are as follows**:**

	Inception to date	Period ended June 30, 2011	Year ended December 31 2010 (See note 3)
Balance as at the beginning of the period:	$ –	$ 3,516,241	$ 3,237,404
Acquisition costs	933,424	–	–
Drilling	1,983,638	–	275,235
Geology	229,703	–	–
Geophysics	272,286	–	–
Other	98,090	900	3,602
Balance as at end of the period	$ 3,517,141	$ 3,517,141	$ 3,516,241

7. Share capital:

(a) Authorized:

Unlimited voting common shares

Unlimited non-voting preferred shares, of which none have been issued

(b) Issued and outstanding:

	Six months ended June 30, 2011		Year ended December 31, 2010 (See note 3)	
	Number	Amount	Number	Amount
Common shares				
Balance, beginning of period	55,734,333	$ 2,919,231	55,734,333	$ 2,919,231
Balance, end of period	55,734,333	$ 2,919,231	55,734,333	$ 2,919,231

(c) Warrants:

	Six months ended June 30, 2011		Year ended December 31, 2010	
	Number	Amount	Number	Amount
Balance, beginning of period	15,097,665	$ 338,537	15,097,665	$ 338,537
Balance, end of period	15,097,665	$ 338,537	15,097,665	$ 338,537

The warrants were issued as part of a private placement of flow-through units dated September 23, 2009. Each Warrant is exercisable into one common share of the Corporation until September 23, 2011 at a price of $0.12 per common share. By February 28, 2010 the Corporation had incurred all the eligible expenditures as required under the flow-through share agreements. Also as part of the private placement, the Corporation issued 863,333 broker options. Each broker option entitles the holder to acquire one non-flow-through unit ("NFT Unit") until September 23, 2011 at a price of $0.10 per NFT Unit. Each NFT Unit consists of one common share and one non-flow-through purchase warrant, each warrant of which contains all the same terms and conditions as the warrants issued as part of the private placement.

	Six months ended June 30, 2011		Year ended December 31, 2010	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	15,097,665	$ 0.12	15,097,665	$ 0.12
Outstanding, end of period	15,097,665	$ 0.12	15,097,665	$ 0.12
Exercisable, end of period	15,097,665	$ 0.12	15,097,665	$ 0.12

(d) Options:

The Corporation has a stock option plan under which directors, officers, employees and consultants of the Corporation are eligible to receive stock options. The aggregate number of common shares to be issued upon the exercise of all stock options granted under the plan shall not exceed 10% of the issued common shares of the Corporation at the time of granting of the options. Options granted under the plan generally have a term of three to five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the stock exchange on which the Corporation's common shares are then listed.

A summary of the status of the Corporation's stock option plan as at June 30, 2011 and December 31, 2010 and changes during the periods then ended are as follows:

	Six months ended June 30, 2011		Year ended December 31, 2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	2,200,000	$ 0.10	4,075,000	$ 0.15
Expired	–	–	(1,875,000)	0.20
Outstanding, end of period	2,200,000	$ 0.10	2,200,000	$ 0.10
Exercisable, end of period	2,200,000	$ 0.10	1,650,000	$ 0.10

The following table summarizes information about stock options outstanding and exercisable at June 30, 2011.

	Outstanding		Exercisable	
Exercise price	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
CDN$0.10	2,050,000	3.27	1,537,500	3.77
CDN$0.10	150,000	3.38	112,500	3.88
	2,200,000	3.28	1,650,000	3.78

A reconciliation of contributed surplus is provided below:

	June 30, 2011	December 31, 2010
Balance, beginning of period	$ 751,995	$ 663,949
Share-based payment expense	8,010	88,046
Balance, end of period	$ 760,005	$ 751,995

8. Related party transactions:

(a) The Corporation and Alhambra are parties to an Administrative and Corporate Services Contract (the “Contract”) whereby the Corporation agrees to engage Alhambra to provide management, administration and corporate services to the Corporation. The Contact provides for a monthly remuneration of $20,000 plus all reasonable out of pocket expenses and is for an indefinite term but may be terminated by either party upon providing thirty (30) days prior written notice. Effective January 1, 2011, Alhambra has agreed to suspend billing DOT for services provided under the Contract until further notice. During the six months ended June 30, 2011, the Corporation incurred $nil (six months ended June 30, 2010 – $120,000). The amount owing under the Contract as of June 30, 2011 was $359,433 (December 31, 2010 – $359,433). During 2010, Alhambra advanced DOT $400,000 to assist DOT with its outstanding obligations while DOT is contemplating various options regarding the financing of its exploration plans and working capital requirements.

(b) During the six months ended June 30, 2011, the Corporation incurred $4,537 (six months ended June 30, 2010 – $2,890) in costs from a law firm in which an officer of the Corporation is a partner. These amounts were recorded as administrative expense. The amount owing to the law firm as of June 30, 2011 was $4,762 (December 31, 2010 - $4,814).

These amounts are measured at their exchange amounts, which is the amount of consideration established and agreed to by the related parties.

9. Loss per share:

Basic loss per share is calculated using the weighted average number of shares outstanding during the period.

	Three Months Ended June 30, 2011	2010	Six Months Ended June 30, 2011	2010
Weighted average shares outstanding:				
Basic and diluted	55,734,333	55,734,333	55,734,333	55,734,333

For the six months ended June 30, 2011 and 2010, no options, warrants or broker options have been included in the calculation of per share amounts as their effect would have been anti-dilutive.

10. Management of capital:

The Corporation defines capital that it manages as its shareholders’ equity and working capital. The Corporation’s objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to maintain investor confidence and to not expose the Corporation to excess risk. The Corporation manages its capital structure and makes adjustments to it based on the level of funds available to support the exploration and development of its mineral properties.

To date, the Corporation has raised some funds through the issue of equity instruments. Additional financing must be obtained in order to continue as a going concern. The Corporation is currently attempting to raise additional funds, however, there is no assurance it will be able to do so. The Corporation is not subject to externally imposed capital requirements.

11. Financial Instruments:

Overview

The Corporation has exposure to the following risks from its use of financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

This note presents information about the Corporation’s exposure to each of the above risks and the Corporation’s objectives and policies and processes for measuring and managing risk.

The board of directors has overall responsibility for the establishment and oversight of the Corporation’s risk management framework. These risks are discussed with management and to the extent the board determines that the risks are of such a nature that they need to be mitigated, procedures are put in place. To date, no specific risk management tools have been put in place to mitigate these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its obligation.

Cash and cash equivalents consist of bank balances and short-term deposits that are redeemable at any time at the option of the Corporation. The Corporation manages the credit exposure related to short-term investments by depositing the cash equivalents only with large banks which management believes the risk of loss to be remote. Accounts receivable primarily relate to GST receivable from the government of Canada, the credit risk of which is considered to be very low.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Corporation does not have an allowance for doubtful accounts as at June 30, 2011 nor was it required to write-off any receivables during the six months ended June 30, 2011. The Corporation does not consider any of its receivables to be past due at June 30, 2011.

(ii) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they come due. Due to the fact that the Corporation has no operations that generate cash flow to meet such obligations, and is a development stage Corporation, the Corporation requires external financing to ensure all of its obligations are met on a timely basis. To date the Corporation has been successful in raising the funds necessary to meet its obligations and fund its capital program.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, commodity prices and interest rates, will affect the Corporation's net earnings. The objective of market risk management is to manage and control market risk exposures.