



**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

October 31, 2011

**Amended and Restated**

**Index**

	<b>Page</b>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	<b>1</b>
<b>CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS</b>	
Condensed Consolidated Interim Statements of Comprehensive Income	2
Condensed Consolidated Interim Statements of Financial Position	3
Condensed Consolidated Interim Statement of Changes in Equity	4
Condensed Consolidated Interim Statements of Cash Flows	5
Notes to Condensed Consolidated Interim Financial Statements	6 – 25

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Discovery-Corp Enterprises Inc. (an exploration stage company) are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded, all transactions are authorized and duly recorded, and financial records are properly maintained to facilitate the preparation of financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The accompanying unaudited condensed consolidated interim financial statements of Discovery-Corp Enterprises Inc. ("the Company"), for the three months ended October 31, 2011, have been prepared by management and have not been subject to a review by the Company's independent auditor.

"Alex Pannu"

Alex Pannu  
Chief Executive Officer

"Iain Brown"

Iain Brown  
Chief Financial Officer

Vancouver, British Columbia  
January 20, 2012

**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

**Amended and Restated**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(Unaudited)  
(Stated in Canadian dollars)

	Notes	Three months ended October 31,	
		2011	2010 (Note 16)
<b>Expenses</b>			
Administration expenses	13	\$ 39,355	\$ 30,944
Exploration expenses	14	-	-
<b>Loss before other items</b>		<u>(39,355)</u>	<u>(30,944)</u>
Financing costs		-	-
Interest Income		16	198
Realized loss on disposal of marketable securities		-	(925)
<b>Loss before tax</b>		<u>(39,339)</u>	<u>(31,671)</u>
Income tax expense		-	-
<b>Net loss</b>		<u>(39,339)</u>	<u>(31,671)</u>
<b>Items of other comprehensive loss</b>	15		
Recycled other comprehensive loss			
Change in fair value of marketable securities		(1,000)	16,000
Disposal of marketable securities		-	20,800
Total recycled other comprehensive loss		<u>(1,000)</u>	<u>36,800</u>
Permanent other comprehensive loss		-	-
Total Comprehensive gain (loss)		<u>\$ (40,339)</u>	<u>\$ 5,129</u>
Earnings (loss) per share		<u>\$ (0.0009)</u>	<u>\$ 0.0001</u>
Weighted average number of common shares outstanding		<u>43,472,962</u>	<u>36,472,962</u>

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

**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

**Amended and Restated**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
(Unaudited)  
(Stated in Canadian dollars)

	Notes	As at October 31, 2011	As at July 31, 2011 (Note 16)	As at August 1, 2010 (Note 16)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash		\$ 301,401	\$ 340,216	\$ 100,221
GST/HST receivable		3,692	3,782	1,935
Marketable Securities	6	16,500	17,500	80,000
Total current assets		321,593	361,498	182,156
<b>Non-current assets</b>				
Reclamation bonds	7	3,000	3,000	3,000
Resource property interests	8	20,916	20,916	20,916
Total non-current assets		23,916	23,916	23,916
Total assets		\$ 345,509	\$ 385,414	\$ 206,072
<b>LIABILITIES AND EQUITY</b>				
Current Liabilities				
Accounts payable and accrued liabilities		\$ 16,648	\$ 16,214	\$ 11,017
Total current and total liabilities		16,648	16,214	11,017
Shareholders' equity (deficiency)				
Common Shares	9	5,094,112	5,094,112	4,764,187
Contributed surplus	9	686,300	686,300	686,300
<b>Accumulated other comprehensive loss</b>	15			
Recycled other comprehensive loss		(13,900)	(12,900)	(41,600)
Permanent other comprehensive loss		-	-	-
Accumulated deficit		(5,437,651)	(5,398,312)	(5,213,832)
Total shareholders' equity		328,861	369,200	195,055
Total equity and liabilities		\$ 345,509	\$ 385,414	\$ 206,072

Subsequent events note 17

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

APPROVED ON BEHALF OF THE BOARD:

*"Iain Brown"*

\_\_\_\_\_  
Iain Brown Director

*"Alex Pannu"*

\_\_\_\_\_  
Alex Pannu Director

**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

**Amended and Restated**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
(Unaudited)  
(Stated in Canadian dollars, except number of shares)

	Issued Capital		Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Equity
	Shares	Amount				
<b>Balance, August 1, 2010</b>	<b>36,472,962</b>	<b>\$ 4,764,187</b>	<b>\$ 686,300</b>	<b>\$ (5,213,832)</b>	<b>\$ (41,600)</b>	<b>\$ 195,055</b>
Comprehensive (loss) gain	-	-	-	(31,671)	36,800	5,129
<b>Balance, October 31, 2010</b>	<b>36,472,962</b>	<b>\$ 4,764,187</b>	<b>\$ 686,300</b>	<b>\$ (5,245,503)</b>	<b>\$ (4,800)</b>	<b>\$ 200,184</b>
Comprehensive (loss) gain	-	-	-	(44,945)	(6,000)	(50,945)
<b>Balance, January 31, 2011</b>	<b>36,472,962</b>	<b>\$ 4,764,187</b>	<b>\$ 686,300</b>	<b>\$ (5,290,448)</b>	<b>\$ (10,800)</b>	<b>\$ 149,239</b>
Comprehensive (loss) gain	-	-	-	(45,828)	(5,550)	(51,378)
<b>Balance, April 30, 2011</b>	<b>36,472,962</b>	<b>\$ 4,764,187</b>	<b>\$ 686,300</b>	<b>\$ (5,336,276)</b>	<b>\$ (16,350)</b>	<b>\$ 97,861</b>
Private Placement	7,000,000	350,000	-	-	-	350,000
Share issue costs	-	(20,075)	-	-	-	(20,075)
Comprehensive (loss) gain	-	-	-	(62,036)	3,450	(58,586)
<b>Balance, July 31, 2011</b>	<b>43,472,962</b>	<b>\$ 5,094,112</b>	<b>\$ 686,300</b>	<b>\$ (5,398,312)</b>	<b>\$ (12,900)</b>	<b>\$ 369,200</b>
Comprehensive (loss) gain	-	-	-	(39,339)	(1,000)	(40,339)
<b>Balance, October 31, 2011</b>	<b>43,472,962</b>	<b>\$ 5,094,112</b>	<b>\$ 686,300</b>	<b>\$ (5,437,651)</b>	<b>\$ (13,900)</b>	<b>\$ 328,861</b>

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)

(Stated in Canadian dollars)

		<b>Three months ended October 31,</b>	
	Notes	<b>2011</b>	2010
<b>Operating activities</b>			
Net loss for the period		\$ (39,339)	\$ (31,671)
Adjustments to net profit for non-cash items			
Loss on the sale of marketable securities	6	-	925
Interest Income		(16)	(198)
Net changes in non-cash working capital items			
Trade receivables		90	(2,680)
Accounts payable and accrued liabilities		434	(142)
<b>Cash utilized in operations</b>		<b>(38,831)</b>	<b>(33,766)</b>
Adjustments to net profit for cash items			
Interest income received		16	198
<b>Net operating cash flows</b>		<b>(38,815)</b>	<b>(33,568)</b>
<b>Investing activities</b>			
Realized gain from sale of securities		-	59,875
<b>Net investing cash flows</b>		<b>-</b>	<b>59,875</b>
Increase (decrease) in cash		<b>(38,815)</b>	26,307
Cash, beginning of year		<b>340,216</b>	100,221
<b>Cash, end of year</b>		<b>\$ 301,401</b>	<b>\$ 126,528</b>

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

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**NOTE 1 – NATURE AND CONTINUANCE OF OPERATIONS**

Discovery-Corp Enterprises Inc. (the “Company”) was incorporated under the laws of British Columbia on May 6, 1986 and maintains its head office and registered office at Suite 1108 - 193 Aquarius Mews, Vancouver, British Columbia, Canada, V6Z 2Z2. The Company is an exploration stage company engaged in the exploration for base and precious metals.

These condensed consolidated interim financial statements have been prepared on a “going concern” basis, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred significant losses since inception and has an accumulated deficit of \$5,437,651 (October 31, 2010 - \$5,245,503). The recoverability of amounts shown for resource property interests and the Company’s continued viability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production or proceeds from the disposition of its interests. There are no assurances that the Company will be successful in achieving these goals.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Its ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

**NOTE 2 – STATEMENT OF COMPLIANCE**

The Canadian Institute of Chartered Accountants Handbook was revised in 2010 to incorporate International Financial Reporting Standards (“IFRS”) and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. The Company has commenced reporting on this basis in these condensed consolidated interim financial statements.

These are the Company’s first IFRS condensed consolidated interim financial statements for the first quarter of the period covered by IFRS and have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting and IFRS 1, First-Time Adoption of International Financial Reporting Standard. Subject to certain transition elections disclosed in Note 16, we have consistently applied the same accounting policies in our opening IFRS balance sheet as at August 1, 2010 and throughout all periods presented, as if the policies had always been in effect. Note 16 discloses the impact of the transition from Canadian Generally Accepted Accounting Principles to IFRS on our reported financial position, operating earnings and cash flows, including the nature and effect of significant changes in accounting policies from those used in our consolidated financial statements for year ended July 31, 2010. IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening balance sheet on our transition date of August 1, 2010 and allows certain exemptions on transition to IFRS. The elections adopted by the Company and have been disclosed in Note 16.

The policies applied in these condensed consolidated financial statements are presented in Note 2 and are based on IFRS issued and outstanding as of January 20, 2012, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in our annual consolidated financial statements for the year ending July 31, 2011 could result in restatement of these condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of assets classified at fair value through profit or loss. Amounts are stated in Canadian dollar as the Company's functional and reporting currency. The following reflects the significant accounting policies:

(a) Principles of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned inactive subsidiary, Prebble Resources USA, Inc. (a Nevada corporation). All significant intercompany balances and transactions have been eliminated.

(b) Interest Income

Interest income derived from cash is recognized on an accrual basis as earned at the stated rate of interest.

(c) Exploration and evaluation

The Company is in the exploration stage and capitalizes all acquisition costs related to its resource property interests until such time as the properties are put into commercial production, sold or abandoned. The Company expenses all exploration expenditures in the period incurred. Amounts shown as resource property interests represent acquisition costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values. If a property is put into commercial production, the acquisition costs relating to that property will be depleted based upon the proven reserves available.

From time to time, the Company may acquire or dispose of a resource property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. When the amount of recoveries exceeds the total amount of capitalized costs of the property, the amount in excess of costs is recorded in income.

The carrying values of resource property interests are reviewed by management on a property-by-property basis at each financial statement date to determine if they have become impaired. If impairment is determined to have occurred, the resource property interest will be written down to its fair value. The ultimate recoverability of the amounts capitalized for the resource property interests is dependent upon the delineation of economically recoverable ore reserves, the ability to obtain the necessary financing to complete their development and the ability to realize profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in various projects are based on current conditions. However, it is possible that changes could occur in the near term, which could adversely affect management's estimates and may result in future write-downs of capitalized property carrying values.

(d) Provisions for Environmental Rehabilitation

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate. The liability is recognized at the time environmental disturbance occurs and the resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation liabilities is estimated using expected cash flows based on engineering and environmental reports prepared by third-party industry specialists and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

## (d) Provisions for Environmental Rehabilitation (continued)

Additional disturbances and changes in closure and reclamation estimates are accounted for as incurred with a change in the corresponding capitalized cost. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of mine.

## (e) Mining Exploration Tax Credits (“METC”)

The Company recognizes METC receivable amounts from the government and records those amounts as a recovery in the period in which recoverability can be established and the amount quantified.

## (f) Share-Based Payments

The Company has a stock option plan that is described in note 9(c). Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

## (g) Flow-Through Common Shares

The Company finances a portion of its exploration programs through the issuance of flow-through securities. Under the terms of the flow-through agreements, the tax attributes of the related exploration expenditures are renounced to subscribers. Proceeds pursuant to flow-through financings are credited to share capital.

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through arrangements are renounced to investors in accordance with Canadian income tax legislation. The increase to share capital when flow-through securities are issued is measured based on the current market price of common shares. The incremental proceeds are recorded as a deferred charge. When expenditures are renounced, a deferred tax liability is recognized and the deferred charge is reversed. The net amount is recognized as deferred tax expense. The benefit of previously unrecorded deferred tax assets will be recognized in operations at the same time and amount, to the extent they are available to offset the deferred tax liability, and to the extent that their realization is more likely than not.

## (h) Equity Units

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated to common shares and warrants on a residual value basis. The value allocated to the common shares is based on the market price of the shares and the residual, if any, is allocated to the warrants.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

(i) Use of Estimates

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions are used in assessing the asset carrying values and determination of impairment charges of non-current assets and available-for-sale investments, determination of mineral reserves, and valuation of share-based payments. Actual results may differ from those estimates.

(j) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(k) Impairment of Non-Current Assets

Non-current assets are evaluated at least annually by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in income to the extent that the carrying amount exceeds the recoverable amount.

(l) Income Taxes

The Company follows the balance sheet method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially assured. The amount of deferred income tax assets is limited to the amount of the benefit that is more likely than not to be realized.

(m) Financial Instruments

All financial assets and liabilities are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, or at fair value through profit or loss ("FVTPL").

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

(m) Financial Instruments (continued)

Financial instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. FVTPL has two categories: those designated as such upon initial recognition and those classified as held for trading.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Financial assets classified as held-to-maturity are measured at amortized cost using the effective interest rate method.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

(n) Currency translation

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with the indicators as per IAS 21 - *Foreign exchange* and should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The group's functional currency is the Canadian dollar, the US subsidiary's functional currency is the Canadian dollar. The condensed consolidated interim financial statements are presented in Canadian dollars which is the group's presentation currency.

(o) Changes in accounting standards

The company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on its financial statements:

(a) IFRS 7 Financial instruments: Disclosure ("IFRS7")

IFRS 7 was amended in October 2010 to provide additional disclosure on the transfer of financial assets including the possible effects of any residual risks that the transferring entity retains. These amendments are effective for annual periods beginning on or after 1 July 2011. The Company is currently evaluating the impact of these amendments to IFRS 7 on its consolidated financial statements, but the impact, if any, is not expected to be significant.

(b) IAS 12 Income taxes ("IAS 12")

IAS 12 was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. The company is currently evaluating the impact of this amendment to IAS 12 on its consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

(o) Changes in accounting standards (continued)

(c) IFRS 9 Financial Instruments (“IFRS 9”)

IFRS 9 was issued in November 2009 and is the first step to replace current IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements, but the impact, if any, is not expected to be significant.

(d) IFRS 10 Consolidated Financial Statements (“IFRS 10”)

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 “Consolidated and Separate Financial Statements” and SIC-12 “Consolidation—Special Purpose Entities” and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

(e) IFRS 13 Fair Value Measurements (“IFRS 13”)

IFRS 13 defines fair value and sets out a single IFRS framework for fair value measurements and disclosures. IFRS 13 applies to other IFRSs that require or permit measurements or disclosures based on fair values, except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

**NOTE 4 – FINANCIAL INSTRUMENTS**

The Company classified its cash as held-for-trading; marketable securities as available-for-sale; reclamation bonds as held-to-maturity; and accounts payable and accrued liabilities as other financial liabilities.

The Company provides information about 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).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 4 – FINANCIAL INSTRUMENTS** (continued)

The carrying values of cash, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments, and are therefore not included in the fair value hierarchy.

The fair value of marketable securities classified as available for sale was based on its quoted market price in an active market as at October 31, 2011 (level one).

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company has minimal credit risk on its financial assets due to cash being placed with major financial institutions.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities.

At October 31, 2011, the Company's cash totaled \$301,401 (2011 - \$340,216) and accounts payable and accrued liabilities totaled \$16,648 (2011 - \$16,214). Accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market Risk

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

(i) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to significant other price risk with respect to its marketable securities. Assuming all other variables remain constant, a 50% decrease or increase in the market price of the Company's marketable securities would result in a \$8,250 decrease or increase in the Company's comprehensive loss.

The Company's exposure to and management of credit risk, liquidity risk and market risk related to financial instruments above have not changed materially since July 31, 2010.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 5 – 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 development of its resource property interests. In the management of capital, the Company includes the components of shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, option its resource property interests for cash and/or expenditures or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary.

The Company has not changed its capital risk management strategy during the quarter ended October 31, 2011 and is not subject to externally imposed capital requirements.

**NOTE 6 – CHANGE IN ASSETS CLASSIFIED AS AVAILABLE-FOR-SALE**

The Company holds 100,000 (2011 - 100,000) common shares in Abacus Mining & Exploration Corporation ("Abacus"), which were acquired in 2004. The fair value of the shares is based on the quoted market price on the TSX Venture Exchange.

	Oct. 31, 2011	July 31, 2011	July 31, 2010
	Fair Value	Fair Value	Fair Value
Abacus			
100,000 common shares			
(2011 – 100,000) (2010 – 400,000)	\$ 16,500	\$ 17,500	\$ 80,000

**NOTE 7 – RECLAMATION BONDS**

The reclamation bonds are comprised of a cash deposit plus term deposits held in a financial institution as security for reclamation obligations pursuant to the *Mines Act* and Health, Safety and Reclamation Code for Mines in British Columbia. The term deposits bear interest at 0.75% per annum and mature September 19, 2012.

**NOTE 8 – RESOURCE PROPERTY INTERESTS**

	Oct. 31, 2011	July 31, 2011	July 31, 2010
Galaxy Property, British Columbia, Canada	\$ 20,916	\$ 20,916	\$ 20,916

**Galaxy Property, British Columbia, Canada**

The Company holds an undivided 100% interest in seven mineral claims and two Crown-granted mineral claims in the Kamloops Mining Division of British Columbia, Canada, known as the Galaxy Property.

**Rock Creek, Nevada, USA**

The Company holds a 50% interest in the property. The Company has written-off the property for accounting purposes, but it retains its interest for viable projects in the future.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 8 – RESOURCE PROPERTY INTERESTS** (continued)

**Environmental**

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

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

**Title**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all its properties are in good standing. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

**Realization**

The investment in mineral properties comprises a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the confirmation of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

**NOTE 9 – EQUITY**

(a) Authorized: unlimited number of common shares without par value

(b) Issued:

- (i) On September 23, 2009, the Company issued 2,250,000 units at a price of \$0.02 per unit pursuant to a private placement for cash proceeds of \$45,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one share at \$0.05, expiring September 22, 2010. No finder's fee was paid.
- (ii) On July 25, 2011, the Company issued 5,000,000 non-flow-through units at \$0.05 per unit and 2,000,000 flow-through units at \$0.05 per unit pursuant to a private placement for cash proceeds of \$350,000. Each non-flow-through unit consists of one common share and one share purchase warrant. Each flow-through unit consists of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at \$0.10, expiring July 25, 2012. Regulatory filing fees were \$3,125 and finder's fee paid in cash were \$16,950.

**DISCOVERY-CORP ENTERPRISES INC.****Amended and Restated**

(an exploration stage company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

**NOTE 9 – EQUITY** (continued)

## (c) Stock Options

The Company established a stock option plan under which it may grant stock options totaling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to employees and persons providing investor-relation or consulting services up to a limit of 5%, 2% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. The stock options are fully vested on the date of grant, except for options granted to persons providing investor relation services, which vest over a twelve-month period. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date cannot exceed five years after the grant date.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for options granted. There are no outstanding options. The following summarizes the Company's stock options as at October 31, 2011 and 2011 and changes during the years then ended:

	October 31, 2011		July 31, 2011		July 31, 2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	-	-	-	-	450,000	\$ 0.10
Expired	-	-	-	-	(450,000)	\$ 0.10
Outstanding and exercisable, end	-	-	-	-	-	-

## (d) Warrants

Details of the Company's warrants as at October 31, 2011, July 31, 2011 and 2010 and the changes during the years then ended are as follows:

Expiry Dates	Balance July 31, 2010	Issued	Exercised	Expired	Balance July 31, 2011	Balance Oct 31, 2011
September 22, 2010	2,250,000	-	-	2,250,000	-	-
July 25, 2012	-	7,000,000	-	-	7,000,000	7,000,000
	2,250,000	7,000,000	-	2,250,000	7,000,000	7,000,000
Weighted average exercise price	\$ 0.05	\$ 0.10	-	\$ 0.05	\$ 0.10	\$ 0.10

Given that the Company's average stock price has never exceeded the warrant exercise price the Company attributes nil value to the warrants on the Company's Statement of Equity.

Expiry Dates	Balance July 31, 2009	Issued	Exercised	Expired	Balance July 31, 2010
September 22, 2010	-	2,250,000	-	-	2,250,000
Weighted average exercise price	-	\$ 0.05	-	-	\$ 0.05

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 9 – EQUITY** (continued)  
(e) Flow-Through Shares

On July 25, 2011, the Company issued 2,000,000 flow-through units at \$0.05 per unit pursuant to a private placement for cash proceeds of \$100,000. Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined in Canadian income tax legislation. As at October, 2011, there is \$100,000 (2011 - \$100,000) of flow-through proceeds to be used for future exploration and subsequent renouncement to the flow-through shareholders.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

Transactions with related parties not disclosed elsewhere in these condensed consolidated interim financial statements comprise:

- Consulting fees of \$22,500 (2010 - \$18,000) were charged by a company owned by the Chief Financial Officer.

Transactions with related parties are measured at the exchange amount of consideration established and agreed to by the related parties.

**NOTE 11 - SEGMENT DISCLOSURE**

The Company operates in one business segment and its consolidated assets are held in Canada.

**NOTE 12 – INCOME TAXES**

The Company has operating losses that may be carried forward to apply against future years' income for income tax purposes. These losses expire as follows:

	Canada	Foreign	Total
2015	\$ 41,983	\$ -	\$ 41,983
2026	61,135	132,603	193,738
2027	215,739	776	216,515
2028	313,820	-	313,820
2029	209,760	2,050	211,810
2030	171,982	3,747	175,729
2031	186,495	2,051	188,546
	<u>\$ 1,200,914</u>	<u>\$ 141,227</u>	<u>\$ 1,342,141</u>

**DISCOVERY-CORP ENTERPRISES INC.**

(an exploration stage company)

**Amended and Restated**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

**NOTE 12 – INCOME TAXES** (continued)

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

	2011	2010
Income tax benefit computed at Canadian statutory rates	\$ 42,580	\$ 46,993
Non-tax-deductible expenditures	(1,551)	(854)
Change in timing differences	5,723	(3,025)
Change in valuation allowance	(42,639)	(20,592)
Effect of change in tax rate	(4,113)	(22,522)
Future income tax recovery	\$ -	\$ -

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

	2011	2010
Future income tax assets		
Non-capital loss carry-forwards	\$ 349,658	\$ 303,852
Share issuance costs	4,765	4,425
Tax value in excess of book value of resource property interests	138,971	138,891
Tax value in excess of book value of marketable securities	1,613	5,200
	495,007	452,368
Valuation allowance	(495,007)	(452,368)
Net future income tax assets	\$ -	\$ -

The valuation allowance reflects the Company's estimate that the future income tax assets, more likely than not, will not be realized.

**NOTE 13 – ADMINISTRATION EXPENSES**

The administration expenses for the Company expressed in Canadian dollars are broken down as follows:

	<b>Three Months ended October 31,</b>	
	2011	2010
Consulting fees (Note 10)	<b>22,500</b>	\$ 18,000
Professional fees	<b>474</b>	1
Travel	<b>3,114</b>	3,593
Rent	<b>4,500</b>	4,500
Listing, filing and transfer agent fees	<b>3,760</b>	2,242
Office and miscellaneous	<b>3,411</b>	795
Shareholder and investor relations	<b>1,392</b>	1,674
Bank charges	<b>204</b>	140
	<b>39,355</b>	30,944

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 14 – EXPLORATION EXPENSES**

The exploration expenses for the Company expressed in Canadian dollars are broken down as follows:

	<b>Three Months ended October 31,</b>	
	<b>2011</b>	2010
Geological Consulting	\$ -	\$ -
Government fees and misc	-	-
	<u>\$ -</u>	<u>\$ -</u>

**NOTE 15 – OTHER COMPREHENSIVE INCOME OR LOSS**

On June 16, 2011, the International Accounting Standards Board published an amendment to IAS 1 *Presentation of Financial Statements*. The amendment to IAS 1 revises the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' through profit and loss and those elements which are 'permanent'. The amendment to IAS 1 is effective to annual periods beginning on or after July 1, 2012. The Company has chosen to early adopt for the amendment to IAS 1.

**NOTE 16 – TRANSITION TO IFRS**

As stated in Note 2, these are the Company's first consolidated interim financial statements for the period covered by the first annual consolidated financial statements prepared in accordance with IFRS. An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the period ended October 31, 2011, the comparative information presented in these financial statements for the period ended October 31, 2010 and in the preparation of an opening IFRS Balance Sheet at August 1, 2010 (the Company's date of transition).

First Time Adoption of IFRS (IFRS 1)

The Company's condensed consolidated financial statements for the year ending December 31, 2011 are the first annual financial statements that will be prepared in accordance with IFRS.

The Company has adopted IFRS on August 1, 2011 with a transition date of August 1, 2010. Under IFRS 1 First time adoption of International Financial Reporting Standards (IFRS 1), the IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit, with IFRS 1 providing for certain optional and mandatory exemptions to this principle.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

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**NOTE 16 – TRANSITION TO IFRS** (continued)

Below are the adjustments necessary for the IFRS transition, including exemptions taken at the transition date:

IFRS Exemption Options

(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 its Transition Date. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after January 1, 2010. There is no effect on the Company's balance sheet.

(b) Cumulative translation differences

IFRS 1 allows a first-time adopter to not comply with the requirements of IAS 21 The Effects of Changes in Foreign Exchange Rates for cumulative translation differences that existed at its Transition Date. The Company has chosen to apply this election and has eliminated the cumulative translation difference. There is no adjustment to retained earnings. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before its Transition Date to IFRS will not affect the gain or loss on disposal.

(c) Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payment 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 Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.

IFRS Mandatory Exceptions

(a) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the Transition Date to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

(an exploration stage company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

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**NOTE 16 – TRANSITION TO IFRS** (continued)Adjustments on transition to IFRS

There was no impact of the transition to IFRS on the consolidated statements of cash flows for the three months ended October 31, 2011 and year ended July 31, 2011.

## (a) Classification of Marketable Securities

On transition to IFRS, the Company's investment in Abacus shares were classified as available-for-sale, whereas under GAAP these shares were classified as held for trading. The change in classification results in any unrealized gains and losses on the marketable securities being recognized in other comprehensive income, and any realized gains and losses on the sale of the marketable securities being recognized in the Company's net loss.

**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

**Amended and Restated**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

**NOTE 16 – TRANSITION TO IFRS** (continued)

Reconciliation of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income for prior periods. The following represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income:

Discovery-Corp Enterprises Inc.

(an exploration stage company)

Reconciliation of Condensed Consolidated Interim Statement of Financial Position as at August 1, 2010

(Unaudited)

(Stated in Canadian dollars)

	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 100,221	\$ -	\$ 100,221
HST receivable	1,935	-	1,935
Marketable Securities	80,000	-	80,000
Total current assets	182,156	-	182,156
Non-current assets			
Reclamation bonds	3,000	-	3,000
Resource Property interests	20,916	-	20,916
<b>Total assets</b>	<b>\$ 206,072</b>	<b>\$ -</b>	<b>\$ 206,072</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 11,017	\$ -	\$ 11,017
Total liabilities	11,017	-	11,017
<b>Equity</b>			
Issued capital	4,764,187	-	4,764,187
Contributed surplus	686,300	-	686,300
Accumulated other comprehensive income			
Recycled comprehensive income	-	(41,600)	(41,600)
Permanent comprehensive income	-	-	-
Deficit	(5,255,432)	41,600	(5,213,832)
Total shareholders' equity	195,055	-	195,055
<b>Total liabilities and shareholders' equity</b>	<b>\$ 206,072</b>	<b>\$ -</b>	<b>\$ 206,072</b>

**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

**Amended and Restated**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

**NOTE 16 – TRANSITION TO IFRS** (continued)

Discovery-Corp Enterprises Inc.

(an exploration stage company)

Reconciliation of Condensed Consolidated Interim Statement of Financial Position as of October 31, 2010

(Unaudited)

(Stated in Canadian dollars)

	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 126,528	\$ -	\$ 126,528
HST receivable	4,615	-	4,615
Marketable Securities	56,000	-	56,000
<b>Total current assets</b>	<b>187,143</b>	<b>-</b>	<b>187,143</b>
Non-current assets			
Reclamation bonds	3,000	-	3,000
Resource Property interests	20,916	-	20,916
<b>Total assets</b>	<b>\$ 211,059</b>	<b>\$ -</b>	<b>\$ 211,059</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 10,875	\$ -	\$ 10,875
<b>Total liabilities</b>	<b>10,875</b>	<b>-</b>	<b>10,875</b>
<b>Equity</b>			
Issued capital	4,764,187	-	4,764,187
Contributed surplus	686,300	-	686,300
Accumulated other comprehensive income			
Recycled comprehensive income	-	(4,800)	(4,800)
Permanent comprehensive income	-	-	-
Deficit	(5,250,303)	4,800	(5,245,503)
<b>Total shareholders' equity</b>	<b>200,184</b>	<b>-</b>	<b>200,184</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 211,059</b>	<b>\$ -</b>	<b>\$ 211,059</b>

**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

**Amended and Restated**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

**NOTE 16 – TRANSITION TO IFRS** (continued)

Discovery-Corp Enterprises Inc.

(an exploration stage company)

Reconciliation of Condensed Consolidated Interim Comprehensive Income as of October 31, 2010

(Unaudited)

(Stated in Canadian dollars)

	note	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>Expenses</b>				
Administration expenses	13	\$ 30,944	\$ -	\$ 30,944
Exploration expenses	14	-	-	-
<b>Loss before other items</b>		(30,944)	-	(30,944)
Financing costs		-	-	-
Interest Income		198	-	198
Gain (loss) on disposal of marketable securities		35,875	(36,800)	(925)
<b>Loss before tax</b>		5,129	-	(31,671)
Income tax expense		-	-	-
<b>Net loss</b>		5,129	(36,800)	(31,671)
<b>Items of other comprehensive loss</b>				
	15			
Recycled other comprehensive (loss) gain				
Change in fair value of marketable securities		-	16,000	16,000
Disposal of marketable securities		-	20,800	20,800
Total recycled other comprehensive loss		-	36,800	36,800
Permanent other comprehensive loss		-	-	-
<b>Total comprehensive gain (loss)</b>		<b>\$ 5,129</b>	<b>\$ -</b>	<b>\$ 5,129</b>
Earnings (loss) per share		\$ 0.0001	-	\$ 0.0001
Weighted average number of common shares outstanding		36,472,962	-	36,472,962

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
Period ended October 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

**NOTE 16 – TRANSITION TO IFRS** (continued)

Discovery-Corp Enterprises Inc.  
(an exploration stage company)  
Reconciliation of Condensed Consolidated Interim Comprehensive Income as of July 31, 2011  
(Unaudited)  
(Stated in Canadian dollars)

	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>Expenses</b>			
Administration expenses	\$ 176,384	\$ -	\$ 176,384
Exploration expenses	-	-	-
<b>Loss before other items</b>	<b>(176,384)</b>	<b>-</b>	<b>(176,384)</b>
Loss on sale of marketable securities	19,872	(28,700)	(8,828)
Interest Income	732	-	732
<b>Loss before tax</b>	<b>(155,780)</b>	<b>(28,700)</b>	<b>(184,480)</b>
Income tax expense	-	-	-
<b>Net loss</b>	<b>(155,780)</b>	<b>(28,700)</b>	<b>(184,480)</b>
<b>Items of other comprehensive loss</b>			
Recycled other comprehensive (loss) gain			
Change in fair value of marketable securities	-	(250)	(250)
Disposal of marketable securities	-	28,950	28,950
Total recycled other comprehensive loss	-	28,700	28,700
Permanent other comprehensive loss	-	-	-
<b>Total comprehensive gain (loss)</b>	<b>\$ (155,780)</b>	<b>\$ -</b>	<b>\$ (155,780)</b>
Earnings (loss) per share	\$ (0.004)	-	\$ (0.004)
Weighted average number of common shares outstanding	36,607,209	-	36,140,085

**DISCOVERY-CORP ENTERPRISES INC.**  
(an exploration stage company)

**Amended and Restated**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Period ended October 31, 2011

(Unaudited)

(Stated in Canadian dollars)

**NOTE 16 – TRANSITION TO IFRS** (continued)

Discovery-Corp Enterprises Inc.

(an exploration stage company)

Reconciliation of Condensed Consolidated Interim Statement of Financial Position as of July 31, 2011

(Unaudited)

(Stated in Canadian dollars)

	Canadian GAAP	Effect of transition to IFRS	IFRS
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 340,216	\$ -	\$ 340,216
HST receivable	3,782	-	3,782
Marketable Securities	17,500	-	17,500
Total current assets	361,498	-	361,498
Non-current assets			
Reclamation bonds	3,000	-	3,000
Resource Property interests	20,916	-	20,916
<b>Total assets</b>	<b>\$ 385,414</b>	<b>\$ -</b>	<b>\$ 385,414</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 16,214	\$ -	\$ 16,214
Total liabilities	16,214	-	16,214
<b>Equity</b>			
Issued capital	5,094,112	-	5,094,112
Contributed surplus	686,300	-	686,300
Accumulated other comprehensive income			
Recycled comprehensive income	-	(12,900)	(12,900)
Permanent comprehensive income	-	-	-
Deficit	(5,411,212)	12,900	(5,398,312)
Total shareholders' equity	369,200	-	369,200
<b>Total liabilities and shareholders' equity</b>	<b>\$ 385,414</b>	<b>\$ -</b>	<b>\$ 385,414</b>

**NOTE 17 – SUBSEQUENT EVENTS**

On January 13 and 14, 2012, the Company disposed of its 100,000 shares of Abacus, for \$24,450, resulting in a realized gain of \$6,950.