



Unaudited condensed Interim Financial Statements of

ORSA VENTURES CORP.
(An Exploration Stage Company)

June 30, 2011

(Unaudited)

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UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
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NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2011 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed interim financial reporting.

The Company's independent auditor has not audited or performed a review of these financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited condensed consolidated interim financial statements by an entity's auditor.

ORSA VENTURES CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Expressed in Canadian Dollars

June 30, 2011

	Note	June 30 2011	December 31 2010
Assets			
Current			
Cash and cash equivalents	4	\$ 276,878	\$ 462,589
Receivables	5	10,522	10,123
Prepaid expenses and advances		4,510	3,954
		291,909	476,666
Exploration and evaluation assets	6	22,681	20,246
Total Assets		\$ 314,589	\$ 496,912
Liabilities			
Current			
Trade and other payables	7	\$ 4,227	\$ 34,961
Total Liabilities			
Shareholders' equity			
Share capital	8	27,538,371	27,514,512
Contributed surplus	8,9	1,896,836	1,905,695
Accumulated deficit		(29,124,845)	(28,958,256)
Total shareholders' equity		310,362	461,951
Total liabilities and shareholders' equity		\$ 314,589	\$ 496,912

These unaudited condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 29, 2011. They are signed on the Company's behalf by:

"Linda Thorstad"

Linda Thorstad

"Brian Flower"

Brian Flower

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

ORSA VENTURES CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

Expressed in Canadian Dollars

		Three Months Ended		Six Months Ended	
		June 30		June 30	
	Note	2011	2010	2011	2010
Interest and other income		\$ 1,211	\$ 1,041	\$ 1,958	\$ 1,623
Expenses					
Administrative and general	10,11	93,134	23,351	168,547	61,468
Exploration					3,581
Total expenses		93,134	23,351	168,547	65,049
Total comprehensive loss for the period		(91,923)	(22,310)	(166,589)	(63,426)
Basic and diluted loss per common share		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding		14,436,165	14,305,665	14,374,498	14,305,665

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

ORSA VENTURES CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Expressed in Canadian Dollars

For the six months ended June 30, 2011

	Common Shares		Contributed	Accumulated	Total
	Number	Amount	Surplus	Deficit	
Balance at January 1, 2010	14,305,665	\$ 27,514,512	\$ 1,879,086	\$ (28,728,432)	\$ 665,166
Loss for the period	—	—	—	(63,426)	(63,426)
Balance at June 30, 2010	14,305,665	27,514,512	1,879,086	(28,791,858)	601,740
Balance at January 1, 2011	14,286,165	27,514,512	1,905,695	(28,958,256)	461,951
Loss for the period	—	—	—	(166,589)	(166,589)
Options exercised	150,000	23,859	(8,859)	—	15,000
Balance at June 30, 2011	14,436,165	\$ 27,538,371	\$ 1,896,836	\$ (29,124,845)	\$ 310,362

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

ORSA VENTURES CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)

Expressed in Canadian Dollars

For the six months ended June 30, 2011

	June 30		June 30
	2011		2010
Cash flows from operating activities			
Total comprehensive loss	\$ (166,589)	\$	(63,426)
Add (deduct) items not affecting cash			
Changes in non-cash working capital balances			
Trade and other receivables	(398)		115
Trade and other payables	(30,734)		(17,219)
Prepaid expenses	(556)		1,281
Total cash outflows from operating activities	(198,277)		(79,250)
Cash Flows From Investing Activities			
Investment in exploration and evaluation assets	(2,434)		—
Total cash outflows from investing activities	(2,434)		—
Cash Flows From Financing Activities			
Proceeds from share issuances	15,000		—
Total cash inflows from financing activities	15,000		—
Total decrease in cash during the period	(185,711)		(79,250)
Cash and cash equivalents, beginning of period	462,589		688,390
Cash and cash equivalents, end of period	\$ 276,878	\$	609,140

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

ORSA VENTURES CORP.
(An Exploration Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2011
(Expressed in Canadian Dollars)

1. CORPORATION INFORMATION

Orsa Ventures Corp. (the “Company”) was incorporated in British Columbia, continued under the Business Corporations Act (Yukon Territory) and continued again under the Business Corporations Act (British Columbia). The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s principal asset is its lease to purchase of the Coal Canyon gold property located in West Humboldt Range, Nevada.

The Company is listed on the TSX Venture Exchange, having the symbol ORN.V as a Tier 2 issuer and its corporate office and principal place of business is located at 1508 – 999 West Hasting Street, Vancouver, British Columbia, Canada, V6C 2W2.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance to International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, these interim condensed consolidated financial statements do not include all information and footnotes required by IFRS as issued by the IASB and interpretations of the IFRIC for complete financial statements for year-end reporting purposes. The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors as at August 29, 2011.

These interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These interim consolidated financial statements are presented in Canadian Dollars which is also the Company’s functional currency.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Company has not generated revenues from its operations to date. However, the Company has sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the three and six month periods ended June 30, 2011 were prepared in accordance with IAS 34, *Interim Financial Reporting*. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements for the three month period ended March 31, 2011. In addition, the interim condensed consolidated financial statements for the three month period ended March 31, 2011 contain certain incremental annual IFRS disclosures not included in the annual financial statements for the year ended December 31, 2010 which were prepared in accordance with previous Canadian GAAP. Accordingly, these interim condensed consolidated financial statements for the three and six month periods ended June 30, 2011 should be read together with the annual consolidated financial statements for the year ended December 31, 2010 prepared in accordance with previous Canadian GAAP as well as the interim condensed consolidated financial statements for the three month period ended March 31, 2011.

New Standards, Amendments and Interpretations Not Yet Adopted

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, *Financial instruments - Classification and Measurement*, IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosure of Interests in Other Entities*, IAS 27, *Separate Financial Statements*, IFRS 13, *Fair Value Measurement* and amended IAS 28, *Investments in Associates and Joint Ventures*. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 9, Financial Instruments: Classification and Measurement

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding the instrument to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

IFRS 10, Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

IFRS 11, Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Standards, Amendments and Interpretations Not Yet Adopted (cont'd)

supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities—Non-monetary Contributions by Venturers*.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 19 – Employee Benefits

In June 2011, the IASB issued an amended version of IAS 19, *Employee Benefits* ("IAS 19"). The amendments to IAS 19 are meant to improve the quality, transparency and comparability of information presented for post-employment benefits. For defined benefit plans, the amendments eliminate the option to defer actuarial gains and losses on the balance sheet through the "corridor method". The amendments also require any remeasurement gains or losses, including actuarial gains and losses, to be recognized immediately and presented in other comprehensive income, eliminating the option to recognize and present these through the income statement. Additional disclosures will also be required to present better information about the characteristics, amounts recognized, and risks related to defined benefit plans. The amendments to IAS 19 are effective for financial years beginning on or after January 1, 2013 with earlier adoption permitted. The Company has not yet begun the process of assessing the impact that the amended standard will have on its consolidated financial statements or whether to early adopt any of the new requirements.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS1, *Presentation of Financial Statements*, IAS 27, *Separate Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures*. IAS 1 has been amended to require companies to group items within Other Comprehensive Income ("OCI") that may be reclassified to profit or loss. The amendment also reaffirms existing requirements that items in OCI and profit and loss should be presented as either a single statement or two consecutive statements. The amendments to IAS 1 are effective for fiscal years beginning on or after July 1, 2012. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

ORSA VENTURES CORP.
(An Exploration Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2011
(Expressed in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

Cash at banks and on hand earns interest at floating and fixed rates based on daily deposit rates.

5. RECEIVABLES

	June 30	December 31
	2011	2010
Sales taxes receivable	\$ 10,522	\$ 10,123

HST receivables represent input tax credits arising from sales tax levied on the supply of goods purchased or services received in Canada.

Management considers that the fair values of these receivables, which are expected to be recovered quarterly, are not materially different from their carrying amounts because these amounts have short maturity periods on inception.

6. EXPLORATION AND EVALUATION ASSETS

	Coal Canyon Project	
Costs		
Balance at January 1, 2010	\$	-
Acquisition costs		17,730
Exploration costs		2,516
Balance at December 31, 2010	\$	20,246
Acquisition costs		2,434
Exploration costs		-
Balance at June 30, 2011	\$	22,680
Accumulated depletion and impairment losses		
Balance at January 1, 2010	\$	-
Balance at December 31, 2010	\$	-
Balance at June 30, 2011	\$	-
Carrying amounts		
Carrying value at December 31, 2010	\$	20,246
Carrying value at June 30, 2011	\$	22,680

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

ORSA VENTURES CORP.
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6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Coal Canyon, Nevada, USA (cont'd)

The Company's exploration and evaluation assets are described as follows:

Coal Canyon, Nevada, USA

On August 1, 2010, the Company entered into a Mining Lease and Option to Purchase agreement with unrelated parties. Pursuant to the terms and conditions of the agreement, the Company will lease Coal Canyon gold property ("Coal Canyon") located in West Humboldt Range, Nevada, until August 1, 2030. The Company has the right to explore minerals on the property during the lease term. As consideration, the Company will make the following payments to the owner of Coal Canyon during the lease term:

<u>Date</u>	<u>Amount</u>	
Execution date of the agreement	US\$10,000	(Paid CDN \$10,639)
August 1, 2011	US\$20,000	
August 1, 2012 and each anniversary date until August 1, 2030	US\$25,000	

In addition to the above payments, the Company will pay a 3% Net Smelter Returns ("NSR") royalty to the owner of Coal Canyon and the Company has the option to purchase 1% of NSR for US\$1,000,000. The above annual payments shall be credited against the Company's production royalty obligations.

In addition to the lease, the owner of the Coal Canyon also granted the exclusive right to the Company to purchase the Coal Canyon for development and production of the property at any time during the lease term for \$350,000.

7. TRADE AND OTHER PAYABLES

	June 30	December 31
	2011	2010
Trade payables	—	16,959
Accrued Liabilities	4,226	18,001
Taxes payable	—	—
Total	\$ 4,226	\$ 34,960

ORSA VENTURES CORP.
(An Exploration Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2011
(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company's authorized share capital is an unlimited number of common shares with no par value.

b) Issuance of securities

- i) On March 8, 2011 the Company issued 75,000 common shares pursuant to the exercise of stock options at a price of \$0.10 per share for proceeds of \$7,500; and
- ii) On March 24, 2011 the Company issued 75,000 common shares pursuant to the exercise of stock options at a price of \$0.10 per share for proceeds of \$7,500.

c) Contributed Surplus

	June 30	December 31
	2011	2010
Share options Note 10	1,896,836	1,905,695
Contributed Surplus	1,896,836	1,905,695

9. SHARE BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting is determined by the Board of Directors.

The following is a summary of changes in options from January 1, 2010 to June 30, 2011:

	June 30, 2011		December 31, 2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	1,000,000	\$ 0.12	1,420,000	\$ 0.24
Granted	—	—	452,500	0.10
Expired	—	—	(270,000)	0.19
Exercised	(150,000)	0.10	(602,500)	0.36
Balance, outstanding and exercisable, end of period	850,000	\$ 0.12	1,000,000	\$ 0.12

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SIX MONTHS ENDED JUNE 30, 2011
(Expressed in Canadian Dollars)

9. SHARE BASED PAYMENTS (Cont'd)

The weighted average share price at the date of exercise of options during the period ended June 30, 2011 was \$0.17 per share (year end Dec 31, 2010 - \$Nil)

During the period June 30, 2011 and June 30, 2010 there were no options granted.

As at June 30, 2011, the Company has outstanding stock options enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
140,000	\$0.22	18-May-12
332,500	\$0.10	10-Sep-14
377,500	\$0.10	9-Aug-15
<hr/>		
850,000		

All options vest upon grant and were fully vested as at June 30, 2011.

10. ADMINISTRATIVE AND GENERAL EXPENSES

	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Administrative and General Expenses include:				
Accounting and legal	\$ 21,016	\$ 1,025	\$ 24,707	\$ 6,013
Consulting	45,398	10,020	94,148	19,770
Office and administration fees	940	518	11,902	7,644
Regulatory fees	8,611	2,797	8,611	7,819
Rent	6,000	6,000	12,000	12,000
Shareholder communications	1,848	910	2,028	1,110
Transfer agent fees	2,245	2,081	4,315	4,148
Travel	7,077	0	10,836	2,964
	<hr/>			
	\$ 93,134	\$ 23,351	\$ 168,547	\$ 61,468

ORSA VENTURES CORP.
(An Exploration Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2011
(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period.

a) Rental Payments

Rental payments of \$12,000 (six months end June 30, 2011: \$12,000) were paid to Pacific Venture Management Ltd. which is controlled by a director of the Company.

b) Key Management Compensation

	June 30	June 30
	2011	2010
Key management personnel compensation comprised :		
Consulting fees	\$ 94,148	\$ 19,770

Consulting fees include:

- i) \$10,000 per month to Linda Thorstad the Company's President and CEO;
- ii) Under a consulting agreement between the Company and Minco Corporate Management Inc. ("Minco"), a company owned by Terese Gieselman the Company's CFO and Secretary whereby Ms. Gieselman is entitled to receive \$3,250 per month (six months ended June 30, 2010 – \$19,770); and
- iii) \$14,625 for consulting fees to Chapelle Capital Corp. a company controlled by Brian Flower at a rate of \$750 per diem.

Related party liabilities:

Amounts due to:	Service for:	June 30	December 31
		2011	2010
Minco	Consulting Fees	\$ —	\$ 1,718
Linda Thorstad	Consulting Fees	\$ —	\$ 12,498
Chapelle Capital Corp.	Consulting Fees	\$ —	\$ 840

12. BASIC AND DILUTED LOSS) PER SHARE

The calculation of basic earnings (loss) per share for the six months ended June 30, 2011 was based on the loss attributable to common shareholders of \$166,589 (\$91,923 three months) [six months ended June 30, 2010 – \$63,426 (\$22,310 three months ended June 30, 2010)] and the weighted average number of common shares outstanding of 14,374,498 [14,436,165 three months ended June 30, 2011) (three and six months ended June 30, 2010 – 14,305,665].

Excluded from the calculation of the diluted loss per share for the period ended June 30, 2011 were 850,000 stock options (June 30, 2010 – 817,500 stock options).

13. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

14. EVENTS AFTER THE REPORTING DATE

- a) On July 18, 2011 the Company entered into an option agreement (the "Option Agreement") with Bridgeport Ventures Inc. ("Bridgeport") whereby Orsa can earn up to a 51% interest in Bridgeport's Ashby gold property in Nevada (the "Ashby Property") through phased exploration expenditures, cash payments and share issuances.

Pursuant to the terms of the Option Agreement, Orsa has the option (the "First Option") to earn up to a 49% interest in the Ashby Property by:

- i) issuing to Bridgeport or its nominee an aggregate of 100,000 common shares of Orsa within three business days of receipt by Orsa of the approval of the TSX Venture Exchange to the Option Agreement;
- ii) incurring an aggregate of \$150,000 of exploration expenditures on the Ashby Property within one year of the date of the Option Agreement; and
- iii) incurring \$300,000 of cumulative exploration expenditures on the Ashby Property within two years of the date of the Option Agreement.

If Orsa exercises the First Option and acquires a 49% interest in the Ashby Property, it will have the option (the "Second Option") to acquire a further 2% interest in the Ashby Property (for an aggregate 51% interest) by paying Bridgeport \$100,000 in cash and issuing to Bridgeport common shares having an aggregate value of \$100,000 within a 90 day period.

Following the exercise of the First Option, and if applicable, the Second Option, Orsa and Bridgeport will form a joint venture for further exploration and development of the Ashby Property. If Orsa has exercised the Second Option, it will hold a 51% interest in the joint venture and will be the operator of the joint venture. If Orsa has not exercised the Second Option, Orsa will hold a 49% interest in the joint venture and Bridgeport will become the operator.

The Option Agreement remains subject to the approval of the TSX Venture Exchange.

- b) On August 14, 2011 the Company commenced a non-brokered private placement for 5,000,000 common shares and a price of \$0.10 (the "Financing") and subsequently on August 16, 2011 increased the Financing for up to 6,000,000 common shares (each a "Share") at a price of \$0.10 per Share for gross proceeds of \$600,000.

The proceeds of the Financing will be used to fund the exploration and development of the Company's Nevada mineral properties, and for general corporate purposes. Finders' fees in cash or warrants may be payable in accordance with the policies of the Exchange. Completion of the Financing is subject to the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued in the Financing will be subject to a hold period under applicable securities laws expiring four months and one day following issuance.

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15. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has adopted IFRS with a date of transition of January 1, 2010 the details of which are described in the interim condensed consolidated financial statements for the three months ended March 31, 2011. Under IFRS 1 'First-time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to retained earnings unless certain exemptions are applied.

Reconciliation of the Statement of Comprehensive Loss for the Three Months Ended June 30, 2010:

Three Months Ended June 30, 2010	Canadian GAAP	Effect of Transition to IFRS	IFRS
Interest and other income	\$ 1,041	\$ -	\$ 1,041
Expenses			
Administrative and general	23,351	-	23,351
Total comprehensive loss	(22,310)	-	(22,310)
Basic and diluted loss per common share	\$ 0.00	\$ -	\$ 0.00

Reconciliation of the Statement of Comprehensive Loss for the Six Months Ended June 30, 2010:

Six Months Ended June 30, 2010	Canadian GAAP	Effect of Transition to IFRS	IFRS
Interest and other income	\$ 1,623	\$ -	\$ 1,623
Expenses			
Administrative and general	61,468	-	61,468
Exploration	3,581	-	3,581
	65,049	-	65,049
Total comprehensive loss	(63,426)	-	(63,426)
Basic and diluted loss per common share	\$ 0.00	\$ -	\$ 0.00

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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Reconciliation of the Statement of Changes in Equity for the Six Months Ended June 30, 2010

	Notes	Amount	Contributed Surplus	Accumulated Deficit	Total
Reported under Canadian GAAP	15	\$ 27,514,512	\$ 1,879,086	\$ (28,791,858)	\$ 601,740
		—	—	—	—
Reported under IFRS		\$ 27,514,512	\$ 1,879,086	\$ (28,791,858)	\$ 601,740

The interim consolidated statements of cash flow for the six months ended June 30, 2010 were not presented as the adjustments required to reconcile to IFRS did not affect the totals for each component of the consolidated interim statements of cash flows.