

ANSELL CAPITAL CORP.
INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2011
(Unaudited)

ANSELL CAPITAL CORP.

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INTERIM FINANCIAL STATEMENTS

NOTICE

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

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

ANSELL CAPITAL CORP.
INTERIM BALANCE SHEETS
(Unaudited)

	JANUARY 31	JULY 31
	2011	2010
ASSETS		
Current		
Cash and cash equivalents	\$ 1,110,929	\$ 1,405,111
Amounts receivable	26,505	7,763
Prepaid expenses	11,287	4,634
	1,148,721	1,417,508
Equipment (Note 5)	7,623	8,821
Mineral property and deferred exploration expenditures (Note 6)	160,603	87,208
	\$ 1,316,947	\$ 1,513,537
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 70,577	\$ 29,972
Advances received (Note 6 d)	15,000	-
	85,577	29,972
SHAREHOLDERS' EQUITY		
Capital stock (Note 7)	2,606,105	2,578,059
Contributed surplus	324,900	312,951
Deficit	(1,699,635)	(1,407,445)
	1,231,370	1,483,565
	\$ 1,316,947	\$ 1,513,537

Nature and continuance of operations (Note 1)

Commitments (Note 12)

On behalf of the Board:

"Jevin Werbes"
President & CEO

"Matthew G Wright"
CFO

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

ANSELL CAPITAL CORP.

**INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)**

	THREE MONTHS ENDED JANUARY 31		SIX MONTHS ENDED JANUARY 31	
	2011	2010	2011	2010
Expenses				
Amortization	\$ 599	\$ 167	\$ 1,198	\$ 332
Consulting	9,000	9,000	18,000	18,000
Management fees	9,000	9,000	18,000	18,000
Office expenses	13,882	5,161	20,254	12,368
Professional fees	34,707	7,732	53,471	16,193
Regulatory and filing fees	2,815	8,686	2,815	8,686
Rent, net of recoveries	4,149	(338)	4,162	3,524
Shareholder communications	21,070	2,392	40,545	5,392
Stock based compensation	6,754	-	23,995	-
Transfer agent fees	1,694	981	6,568	6,112
Travel and property evaluation	69,573	3,699	81,804	10,496
Wages and salaries	12,171	8,976	24,368	17,966
Loss Before Other Item	(185,414)	(55,456)	(295,180)	(117,069)
Other item				
Interest income	1,764	919	2,990	1,341
Loss and Comprehensive Loss For The Period	(183,650)	(54,537)	(292,190)	(115,728)
Basic and Fully Diluted (Loss) per Share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted Average Number Of Shares Outstanding	22,965,032	15,506,989	22,914,652	15,506,410

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

ANSELL CAPITAL CORP.

INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JANUARY 31		JANUARY 31	
	2011	2010	2011	2010
Cash Flows From Operating Activities				
Loss for the period	\$ (183,650)	\$ (54,537)	\$ (292,190)	\$ (115,728)
Less: Non-cash item:				
Accrued interest	(400)		(1,234)	
Amortization	599	167	1,198	332
Stock based compensation	6,754	-	23,995	-
	<u>(176,697)</u>	<u>(54,370)</u>	<u>(268,231)</u>	<u>(115,396)</u>
Changes in non-cash working capital items:				
Amounts receivable	(12,440)	(4,643)	(17,508)	(3,204)
Prepaid expenses	12,245	1,280	(6,653)	1,280
Accounts payable and accrued liabilities	(7,144)	(20,558)	40,605	(59,084)
Advance repayable	-	-	15,000	-
	<u>(184,036)</u>	<u>(78,291)</u>	<u>(236,787)</u>	<u>(176,404)</u>
Cash Flows From (Used in) Investing Activities				
Property and equipment	-	(274)	-	(274)
Resource property costs	(13,935)	21,464	(73,395)	(34,886)
	<u>(13,935)</u>	<u>21,190</u>	<u>(73,395)</u>	<u>(35,160)</u>
Cash Flows From (Used in) Financing Activities				
Issuance of share capital	-	3,000	16,000	3,000
	<u>-</u>	<u>3,000</u>	<u>16,000</u>	<u>3,000</u>
Increase (Decrease) In Cash	(197,971)	(54,101)	(294,182)	(208,564)
Cash, Beginning Of Period	1,308,900	665,525	1,405,111	819,988
Cash, End Of Period	\$ 1,110,929	\$ 611,424	\$ 1,110,929	\$ 611,424
Supplemental Disclosure Of Cash Flow Information				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -
Non-Cash Financing And Investing Activities				
Transfer from contributed surplus to share capital on exercise of options and brokers warrants	\$ -	\$ -	\$ 12,046	\$ -

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

ANSELL CAPITAL CORP.

INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY

JANUARY 31, 2011
(Unaudited)

	SHARE CAPITAL		CONTRIBUTED SURPLUS	ACCUMULATED DEFICIT	TOTAL SHAREHOLDERS' EQUITY
	SHARES	AMOUNT			
Balance, July 31, 2009	15,505,032	\$ 1,404,107	\$ 126,382	\$ (481,396)	\$ 1,049,093
Exercise of stock options	75,000	12,298	(4,798)	-	7,500
Exercise of warrants	375,000	75,000	-	-	75,000
Shares issued for cash private placement	6,900,000	1,380,000	-	-	1,380,000
Share issue costs	-	(293,346)	175,000	-	(118,346)
Fair value of stock options vesting in year	-	-	16,367	-	16,367
Net loss for the year	-	-	-	(926,049)	(926,049)
Balance, July 31, 2010	22,855,032	2,578,059	312,951	(1,407,445)	1,483,565
Exercise of stock options	75,000	16,289	(7,289)	-	9,000
Exercise of brokers units	35,000	11,757	(4,757)	-	7,000
Fair value of stock options vesting in period	-	-	23,995	-	23,995
Net loss for the period	-	-	-	(292,190)	(292,190)
Balance, January 31, 2011	22,965,032	\$ 2,606,105	\$ 324,900	\$ (1,699,635)	\$ 1,231,370

The accompanying notes are an integral part of these financial statements

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2011
(Unaudited)

1. INTERIM REPORTING

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. Except as disclosed below, these interim financial statements follow the same accounting policies and methods of their application as the Company's audited July 31, 2010 annual financial statements. It is suggested that these interim financial statements be read in conjunction with the Company's July 31, 2010 audited financial statements.

2. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

Ansell Capital Corp. ("Company") was incorporated under the Business Corporations Act (BC) on July 26, 2006 and was classified as a Capital Pool Company ("CPC") as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company was the identification and evaluation of a Qualifying Transaction and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of any amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, and the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production.

b) Going Concern

The Company's financial statements have been prepared on the basis of accounting principles applicable to a going concern and assume the realization of assets and discharge of liabilities in the normal course of business. The Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. There is no assurance that the Company will be successful with any financing ventures. It is dependent upon the continuing financial support of shareholders and obtaining financing to continue exploration of its mineral property interests. While the Company is expending its best efforts to achieve its plans by examining various financing alternatives, there is no assurance that any such activity will generate funds that will be available for operations. These financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

As at January 31, 2011, the Company held \$752,791 (July 31, 2010 - \$750,578) in cash equivalents, being bankers acceptances.

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2011
(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Areas requiring use of significant estimates include the carrying value of mineral properties, stock-based compensation and future income taxes. Actual results could differ from these estimates.

c) Equipment

Equipment is recorded at cost and amortized over their estimated useful lives at the following rates:

Office equipment	20% declining balance method
Vehicles	30% declining balance method

d) Financial Instruments – Recognition and Measurement

This standard sets out criteria for the recognition and measurement of financial instruments and requires all financial instruments within its scope, including derivatives, to be included on the balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in either the results of operations or other comprehensive income (loss). All financial assets and liabilities are recognized when the Company becomes a party to the contract creating the item.

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and transaction costs are amortized into net income (loss), using the effective interest method.

Available-for-sale financial assets are measured at fair value, with unrealized gains and losses recorded in other comprehensive income (loss) until the asset is realized, at which time they will be recorded in net income (loss).

Held-for-trading financial instruments are measured at fair value. All gains and losses resulting from changes in their fair value are included in the statement of operations in the period in which they arise.

All derivative financial instruments are classified as held-for-trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses resulting from changes in their fair value are included in the results of operations in the period in which they arise.

In accordance with this standard, the Company has classified its financial instruments as follows:

Cash and cash equivalents, are classified as held-for-trading; receivables are classified as loans or receivables; and accounts payable and accrued liabilities are classified as other liabilities.

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e) Financial Instruments - Disclosures

In June 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures" to include additional disclosure requirements about fair value measurements of financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

f) Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Although the Company has taken steps to verify title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance regulatory requirements.

g) Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

As at January 31, 2011 and July 31, 2010, no provision has been made for assets retirement obligations.

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2011
(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

h) Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year.

The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations.

Diluted loss per share is not presented for periods ended October 31, 2010 and 2009 as it was anti-dilutive.

4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements are applicable to future reporting periods. The Company is currently evaluating the effects of adopting these standards:

i) Section 1582, Business Combinations

Section 1582 applies prospectively to the Company's business combinations on or after January 1, 2011. Early adoption of this recommendation is permitted. This section replaces Section 1581, "Business Combination", and harmonizes the Canadian accounting standards with International Financial Reporting Standards ("IFRS"). Under the new guidance, the purchase price used in a business combination will be the new fair value of the shares exchanged at their market price on the date of the exchange.

Currently, when shares are issued, they are valued based on the market price for a reasonable period before and after the date the acquisition is agreed upon and announced. Under the new guidelines, all acquisition costs are expensed where currently they are capitalized as part of the acquisition costs. There are also a number of other differences between the new guidelines and current GAAP. The Company does not expect the adoption of this pronouncement to impact the financial statements.

ii) Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests

Section 1601 and 1602 change the accounting and reporting of ownership in interests in subsidiaries held by parties other than the parent. Non-controlling interests are to be presented in the consolidated statement of financial position (balance sheet) within equity, but separately from the parent's equity. The amount of consolidated net income attributable to the parent and to the non-controlling interest is to be clearly identified and presented on the face of the consolidated statement of income (loss). In addition, these pronouncements establish standards for a change in a parent's ownership interest in a subsidiary and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. They also establish reporting requirements for providing sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interest of the non-controlling owners. The Company does not expect the adoption of these pronouncements to impact its financial statements in fiscal 2011.

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2011
(Unaudited)

4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (Cont'd)

iii) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The Company will adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. The Company is currently considering the impact on the Company's financial statements of the transition to IFRS.

5. EQUIPMENT

	JANUARY 31, 2011		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Office and equipment	\$ 3,317	\$ 1,048	\$ 2,269
Vehicles	7,000	1,646	5,354
	<u>\$ 10,317</u>	<u>\$ 2,694</u>	<u>\$ 7,623</u>
	JULY 31, 2010		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Office and equipment	\$ 3,317	\$ 796	\$ 2,521
Vehicles	7,000	700	6,300
	<u>\$ 10,317</u>	<u>\$ 1,496</u>	<u>\$ 8,821</u>

6. MINERAL PROPERTIES

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 of its properties are in good standing.

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

**JANUARY 31, 2011
(Unaudited)**

6. MINERAL PROPERTIES (Cont'd)

Mineral properties and deferred exploration expenditures comprise:

	BALANCE JULY 31 2010	COSTS INCURRED	COST RECOVERY	COSTS WRITTEN OFFS	BALANCE JANUARY 31 2011
Mineral Property Acquisition Costs					
Guijoso Property, Mexico (a)	\$ -	\$ -	\$ -	\$ -	\$ -
Pires, Brazil (c)	-	-	-	-	-
Kuyakuz, Canada (d)	10,043	-	-	-	10,043
Vilcoro Gold, Peru (e)	34,400	-	-	-	34,400
	<u>44,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,443</u>
Deferred Exploration Expenditures					
Guijoso Property, Mexico (a)	\$ -	\$ -	\$ -	\$ -	\$ -
Redrock, Nevada (b)	-	-	-	-	-
North Battle Mountain, Nevada(b)	2,765	-	-	-	2,765
Pires, Brazil (c)	-	-	-	-	-
Kuyakuz, Canada (d)	40,000	73,395	-	-	113,395
	<u>42,765</u>	<u>73,395</u>	<u>-</u>	<u>-</u>	<u>116,160</u>
Total	\$ 87,208	\$ 73,395	\$ -	\$ -	\$ 160,603
	BALANCE JULY 31 2009	COSTS INCURRED	COST RECOVERY	COSTS WRITTEN OFFS	BALANCE JULY 31 2010
Mineral Property Acquisition Costs					
Guijoso Property, Mexico (a)	\$ 183,090	\$ -	-	\$ (183,090)	\$ -
Pires, Brazil (c)	-	75,000	-	(75,000)	-
Kuyakuz, Canada (d)	-	10,043	-	-	10,043
Vilcoro Gold, Peru (e)	-	34,400	-	-	34,400
	<u>183,090</u>	<u>119,443</u>	<u>-</u>	<u>(258,090)</u>	<u>44,443</u>
Deferred Exploration Expenditures					
Guijoso Property, Mexico (a)	\$ 102,261	\$ 15,952	-	\$ (118,213)	\$ -
Redrock, Nevada (b)	-	50,642	(50,642)	-	-
North Battle Mountain, Nevada(b)	-	6,372	(3,607)	-	2,765
Pires, Brazil (c)	-	219,038	-	(219,038)	-
Kuyakuz, Canada (d)	-	40,000	-	-	40,000
	<u>102,261</u>	<u>332,004</u>	<u>(54,249)</u>	<u>(337,251)</u>	<u>42,765</u>
Total	\$ 285,351	\$ 451,447	(54,249)	\$ (595,341)	\$ 87,208

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2011
(Unaudited)

6. MINERAL PROPERTIES (Cont'd)

a) Guijoso Property, Mexico

The Company entered into an agreement with Fury Explorations Ltd. ("Fury"), pursuant to which the Company could earn 70% of Fury's interest in the Guijoso Property which consists of exploration concessions located near Guadalajara in Jalisco State, Mexico.

The interest could be earned by paying Fury a non-refundable deposit of US\$25,000 (paid \$25,398), making further cash payments of US\$250,000 (paid \$30,482); issuing 1,800,000 common shares of the Company (issued 400,000 shares valued at \$48,000) and by spending an aggregate of US\$2,000,000 in exploration expenditures in installments over a three year period ending March 2, 2011. The agreement was subsequently amended to allow the Company the option to pay cash at current trading value in lieu of shares to be issued. The Company paid \$50,000 in lieu of the second installment of 400,000 shares.

The Company agreed to issue up to 386,000 common shares (issued 63,000 shares valued at \$7,560) as a finders fee over three years.

This earn-in agreement served as the Company's Qualifying Transaction (Note 1).

During the year ended July 31, 2010 the Company abandoned its interest in the property and wrote off a total of \$301,303 of acquisition and explorations cost relating to the property.

b) Nevada, USA Properties

i) Redrock Property

In April 2008, the Company entered into an agreement to secure a lease with an option to acquire a 100% interest in the Redrock property located in Lander County, Nevada. The aggregate consideration payable under the option is US\$2,000,000 (an advance gross production royalty, ("GPR")), 1,100,000 common shares of the Company and exploration expenditures to be incurred over 10 years of US\$2,000,000, with US\$10,000 due and payable upon signing (paid \$12,193) and US\$15,000 in exploration expenditures to be incurred within the first year of the signing of the agreement.

The property is subject to a GPR of 2% where the Company has the right to purchase half of the GPR for US\$2,000,000 net of advance GPR's paid.

ii) North Battle Mountain Property

The Company also entered into an agreement to acquire a 100% interest in the North Battle Mountain property. The aggregate consideration payable under the option is US\$1,500,000 (an advance GPR), 1,000,000 common shares of the Company and exploration expenditures to be incurred over 10 years of US\$1,900,000 with US\$7,500 of exploration expenditures required in the first year after signing of the agreement. The Company paid US\$2,500 (\$3,048) and issued 25,000 common shares valued at \$3,500 upon signing the agreement.

The property is subject to GPR of 2%, where the Company has the right to purchase half of the GPR for US\$1,000,000 net of advance GPR's paid.

ANSELL CAPITAL CORP.

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6. MINERAL PROPERTIES (Cont'd)

b) Nevada, USA Properties

In July 2009, the Company entered into a Letter of Agreement with Challenger Deep Capital Corp. ("Challenger") pursuant to which the Company agreed to assign its interests in the Redrock and Battle Mountain properties to Challenger, subject to a retained back in right to participate to the extent of a 25% undivided interest in the further development of either or both properties after Challenger has fulfilled its obligations under the agreement.

As consideration, the Company received \$25,000 in fiscal 2009 and \$54,249 in fiscal 2010 as reimbursement of costs incurred and Challenger must incur US\$210,000 of expenditures within two years. Challenger also agreed to assume all of the Company's obligations in the underlying agreements with the property vendors.

c) Pires Property, Brazil

In February 2010, the Company signed a Letter of Intent ("LOI") with Entourage Mining Ltd. ("Entourage"), wherein the Company agreed to complete due diligence on certain mineral claims, known as the Pires property claims ("Pires") in Brazil, pay \$75,000 to Entourage (paid) and incur expenditure on the claims of not less than US\$200,000 (completed). After the due diligence period, the Company could decide to acquire Entourage.

The LOI stated that should the Company decide not to proceed with the acquisition, the Company will have earned a 25% interest in Entourage's interest in the Pires property which may be re-purchased by Entourage at cost, being \$294,038, for a period of 18 months from the date the Company elects not to proceed with the acquisition.

In July 2010, the Company advised Entourage that it would not be proceeding with the agreement, and accordingly has written off its costs of \$294,038, but is actively pursuing opportunities to recover their costs.

d) Kuyakuz Mountain Project, British Columbia, Canada

The Company has acquired, for the cost of staking, certain mineral tenures located in the Province of British.

During September 2010, the Company entered into a Letter of Intent with Driven Capital Corp. ("Driven"), a Capital Pool Company, which was later formalized into an option agreement on February 16, 2011, whereby Driven was granted the option to acquire an undivided 70% interest in the Company's Kuyakuz Mountain property. This agreement comprises Driven's qualifying transaction. The approval date for the transaction will be when Driven has received TSX approval its qualifying transaction.

In order for Driven to earn its 70% interest Ansell will receive consideration aggregating \$160,000 cash and 800,000 shares of Driven in staged tranches, and Driven has an obligation to incur aggregate exploration expenditures of \$1,000,000 as follows:

i) Cash consideration;

- \$15,000 as a refundable deposit, (received);
- \$20,000 within five days of the approval date,
- \$50,000 on or the first anniversary of the approval date
- \$75,000 on or before the second anniversary of the approval date

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JANUARY 31, 2011
(Unaudited)

6. MINERAL PROPERTIES (Cont'd)

d) Kuyakuz Mountain Project, British Columbia, Canada

ii) Stock consideration

200,000 shares within 5 days of approval date,
200,000 shares on or before the first anniversary of the approval date
400,000 shares on or before the second anniversary of the approval date

iii) Property exploration commitment aggregating \$1,000,000 as follows:

\$ 100,000 in aggregate on or before the first anniversary of the approval date
\$ 300,000 in aggregate on or before the second anniversary of the approval date
\$1,000,000 in aggregate on or before the third anniversary of the approval date

Driven has the further option to acquire the remaining 30% undivided interest in the property by issuing an additional 1,200,000 shares to the Company on or before the third anniversary of the approval date.

Ansell will retain a 2% net smelter return royalty ("NSR") upon commercial production. Driven also has the right to acquire the entire NSR by paying Ansell \$1,000,000 on or before the sixth anniversary of the approval date.

e) Vilcoro Gold Property, Peru

In April 2010, the Company entered into a letter agreement with St. Elias Mines Ltd. and Emilsen Medina Inga de Brophy, whereby the Company would acquire an option to earn 65% interest in the Vilcoro Gold Property in northern Peru. To earn its interest the Company would have to make staged cash payments aggregating to \$500,000, issue 1,000,000 common shares and incur exploration expenditures aggregating to \$2,500,000.

As at January 31, 2011, the Company has advanced to St. Elias Mines Ltd. \$34,400, which upon closing of the formal agreement will be considered part of the payments required to earn its interest in the property.

7. CAPITAL STOCK

a) Authorized

Unlimited number of common shares without par value

b) Issued

During the six three month period ended January 31, 2011, the Company:

- i) Issued 75,000 common shares pursuant to the exercise of stock options at \$0.12 per share for aggregate proceeds of \$9,000, and recorded a reallocation of contributed surplus to share capital of \$7,289.

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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7. CAPITAL STOCK (Cont'd)

b) Issued (Cont'd)

- ii) Issued 35,000 units for proceeds of \$7,000 pursuant to the exercise of brokers' warrants. Each unit consists of one common share and one share purchase warrant which is exercisable at \$0.30 to purchase one additional common share at any time from the effective date or \$0.35 during the next 12 months. The Company also recorded a reallocation of contributed surplus to share capital of \$4,757.

In the year ended July 31, 2010, the Company:

- i) Completed a non-brokered private placement of 6,900,000 units at a price of \$0.20 per unit for aggregate gross proceeds of \$1,380,000. Each unit consists of one common share of the Company and one share purchase warrant. Each whole share purchase warrant is exercisable at a price of \$0.30 to purchase one additional common share at any time before 12 months from the effective date or \$0.35 during the next 12 months.

In connection with the private placement the Company paid \$104,400 in cash and issued 677,500 broker's warrants with a fair value of \$175,000, that are exercisable at \$0.20 into units. Each unit received upon exercise of a broker's warrant consists one common share of the Company and one share purchase warrant. Each whole share purchase warrant is exercisable at a price of \$0.30 to purchase one additional common share at any time before 12 months from the effective date or \$0.35 during the next 12 months.

- ii) Issued 75,000 common shares pursuant to the exercise of stock options at \$0.10 per share for aggregate proceeds of \$7,500, and recorded a reallocation of contributed surplus to share capital of \$4,798.
- iii) Issued 375,000 common shares pursuant to the exercise of warrants at \$0.20 per share for aggregate proceeds of \$75,000.

c) Shares held in escrow

As at January 31, 2010, 770,100 (July 31, 2009, 1,540,200) shares are subject to an escrow agreement and will be released from escrow in accordance with regulatory requirements of four semi-annual releases of 770,100 shares per release.

d) Share purchase warrants

As at January 31, 2011, the following share purchase warrants were outstanding:

<u>NUMBER OF WARRANTS</u>	<u>PRICE PER SHARE</u>	<u>NUMBER EXERCISABLE AT JANUARY 31, 2011</u>	<u>EXPIRY DATE</u>
<u>6,935,000</u>	\$ 0.30 yr 1/ 0.35 yr 2	<u>6,935,000</u>	April 12, 2012

ANSELL CAPITAL CORP.

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7. CAPITAL STOCK (Cont'd)

d) Share purchase warrants (Cont'd)

A summary of changes in share purchase warrants for the six month period ended January 31, 2011 and the year ended July 31, 2010 is presented below:

	SIX MONTHS ENDED JANUARY 31, 2011		YEAR ENDED JULY 31, 2010	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	6,900,000	\$ 0.30	6,321,666	\$ 0.20
Granted	35,000	0.30	6,900,000	0.30
Exercised	-	n/a	(375,000)	0.20
Expired	-	n/a	(5,946,666)	0.20
Balance, end of period	6,935,000	\$ 0.30	6,900,000	\$ 0.30

e) Brokers' warrants

As at January 31, 2011, the following brokers' warrants were outstanding:

NUMBER OF BROKERS WARRANTS	PRICE PER SHARE	NUMBER EXERCISABLE AT JANUARY 31, 2011	EXPIRY DATE
642,500	\$ 0.20	642,500	April 12, 2012

A summary of changes in brokers' warrants for the six month period ended January 31, 2011 and the year ended July 31, 2010 is presented below:

	SIX MONTHS ENDED JANUARY 31, 2011		YEAR ENDED JULY 31, 2010	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	677,500	\$ 0.20	-	\$ -
Granted	-	n/a	677,500	0.20
Exercised	(35,000)	0.20		
Balance, end of period	642,500	\$ 0.20	677,500	\$ 0.20

ANSELL CAPITAL CORP.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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7. CAPITAL STOCK (Cont'd)

d) Brokers Warrants (cont'd)

The fair value of each brokers warrant issued is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	SIX MONTHS ENDED JANUARY 31, 2011	YEAR ENDED JULY 31, 2010
Risk free interest rate	n/a	1.93%
Expected life	n/a	2 year
Expected volatility	n/a	139%
Expected dividend yield	n/a	-
Weighted average fair value per broker warrant granted	n/a	\$0.26

8. STOCK BASED COMPENSATION

The Company adopted the 2010 Stock Option Plan during the year, under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of 5 years and vest as determined by the board of directors. Options granted for investor relations services vest over a 12 month period with no more than ¼ of any grant vesting in a three month period. The exercise price of each option may not be less than the fair market value of the common shares.

As at January 31, 2011, the following stock options are outstanding:

NUMBER OF STOCK OPTIONS	PRICE PER SHARE	NUMBER EXERCISABLE AT JANUARY 31, 2011	EXPIRY DATE
250,000	\$ 0.10	250,000	September 8, 2011
200,000	\$ 0.25	150,000	April 14, 2012
775,000	\$ 0.12	775,000	May 14, 2014
50,000	\$ 0.40	-	December 2, 2013
1,275,000		1,175,000	

ANSELL CAPITAL CORP.

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8. STOCK BASED COMPENSATION (Cont'd)

A summary of changes in stock options for the six month period ended January 31 and the year ended July 31, 2010 is presented below:

	SIX MONTHS ENDED JANUARY 31, 2011		YEAR ENDED JULY 31, 2010	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	1,300,000	\$ 0.14	1,175,000	\$ 0.11
Granted	50,000	0.40	200,000	0.25
Exercised	(75,000)	0.12	(75,000)	0.10
Balance, end of period	1,225,000	\$ 0.15	1,300,000	\$ 0.14

During the six month periods ended January 31, 2011 and 2010, the Company recorded \$23,995 (2010 - \$nil) in stock based compensation for options granted and/or vesting during the year.

The fair value of each option and compensatory warrants granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating fair value are as follows:

	SIX MONTHS ENDED JANUARY 31	
	2011	2010
Risk free interest rate	1.24%	n/a
Expected life	1.4 years	n/a
Expected volatility	103%	n/a
Expected dividend yield	-	n/a
Weighted average of fair value per option granted	\$0.20	n/a

9. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

The types of risk exposure, their impact on the Company's financial instruments and the way in which such exposure is managed is as follows:

a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are primarily held in large Canadian financial institutions. The Company's receivables consist mainly of GST/HST receivable due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to cash, cash equivalents and receivables is remote.

ANSELL CAPITAL CORP.

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(Unaudited)

9. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (Cont'd)

b) Liquidity risk

The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account the Company's holdings of cash. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company believes that its sources of financing will be sufficient to cover the expected short and long term cash requirements.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

ii) Foreign currency risk

While the Company is in Canada and its capital is raised in Canadian dollars, the Company is conducting a significant portion of its business in the United States, Mexico, Brazil, and Peru whose currencies are respectively the United States dollar, the Mexican Peso, the Brazilian Real, and the Peruvian Nuevo Sol. As such, it is subject to risk due to fluctuations in the exchange rates for these currencies and the Canadian dollar. The Company does not enter into derivative financial instruments to mitigate its exposure to foreign currency risk as management considers the risk to be insignificant at this time.

iii) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Fair Values

The carrying values of receivables, accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

Cash and cash equivalents are valued using quoted market prices in active markets, and are therefore classified as Level 1.

ANSELL CAPITAL CORP.

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10. CAPITAL MANAGEMENT

The Company defines its capital as shareholder's equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

11. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties

Included in accounts payable is \$225 (July 31, 2010 - \$nil) owing to a director or companies controlled by the directors.

Included in amounts receivable is \$1,225 (July 31, 2010 - \$nil) due from a director for expense advances.

During the six month periods ended January 31, 2011 and 2010, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$18,000 (2010 - \$18,000) to companies controlled by officers and directors.
- b) Received net rent recoveries of \$45,183 (2010 - \$32,000) from companies with directors and officers in common.
- c) Paid or accrued professional fees of \$5,300 (2010 - \$6,000) to a company controlled by an officer of the Company.
- d) Paid or accrued wages of \$24,368 (2010 - \$17,966) to a director of the Company.
- e) Paid or accrued consulting fees of \$18,000 (2010 - \$18,000) to a company controlled by a director of the Company
- f) Paid or accrued property evaluation costs of \$3,825 (2010 - \$1,700) to a company controlled by a director of the Company

ANSELL CAPITAL CORP.

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12. COMMITMENTS

The Company's commitment for annual minimum future lease payments under office rental agreements are as follows:

2011	\$	82,900
2012	\$	84,100

During the six month period ended January 31, 2011, the Company recovered \$54,183 of the rent charged pursuant to the rental agreement by way of monthly non-contractual sub-tenant rent recharges.

13. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. Geographical categorization of the Company's assets are as follows:

	JANUARY 31 2011	JULY 31 2010
Non- current assets		
Canada	\$ 123,438	\$ 10,043
Mexico	-	-
United States of America	2,765	2,765
Peru	34,400	34,400
	\$ 160,603	\$ 87,208

14. SUBSEQUENT EVENTS

Subsequent to the period end the Company:

- i) On December 3, 2010, the Company granted 700,000 stock options exercisable at \$0.40 until March 3, 2014.
- ii) On March 4, 2011, entered into an option agreement with Shawn Ryan and Wildwood Exploration Inc. to purchase 178 mining claims comprising an area of approximately 3,600 hectares located in the Dawson Mining District of the Yukon Territory. ("The Dal Property")

In order to earn its 100% interest the Company will pay the vendors \$450,000 cash, issue 2,000,000 common shares and incur expenditures on the property of \$2,200,000. The cash and share consideration is payable in installments over a four year period, and the exploration commitment must be fulfilled by October 15, 2015.

The interest is subject to a 2% net smelter return royalty of which the Company can purchase 1% for \$2,500,000 upon commercial production.

Finders fees payable by the Company comprise \$26,375 cash and the issuance of 65,938 Common shares issuable over a four year period.

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15. PROPOSED TRANSACTIONS

a) Charlotte Property

On October 12, 2010, the Company entered into a Letter of Intent (“LOI”) with Eagle Trail Properties Inc. (“Eagle Trail”) and Guinness Exploration, Inc. (“Guinness”) to acquire up to an 85% undivided interest in the Charlotte project in the Yukon Territory (the “property”). Subsequent to the period end, on March 4, 2011, the Definitive agreement was executed by all parties.

The effective date of the option agreement will be when all of the following have occurred:

- i) the definitive agreement is completed; (Performed)
- ii) a NI 43-101 Technical Report is completed;
- iii) regulatory and shareholder approvals are obtained.
- iv) the Company has completed a financing to fund the commencement of the project of \$3,000,000 or greater.

The Company can acquire a 49% interest by paying Eagle Trail \$1,000,000, issuing 12,000,000 units to Eagle Trail and spending \$5,000,000 on expenditures on the property over 3 years, of which \$2,000,000 is to be spent in the first year. Of the cash consideration, \$500,000 is payable on the effective date and the remainder is payable 14 months thereafter. The 12,000,000 units are issuable on the effective date.

Each unit to be issued to Eagle Trail will consist of one common share and 0.67 share purchase warrants with one full warrant being exercisable to purchase one additional common share of the Company at a price of \$0.35 for two years.

The Company will be the operator of the project.

The Company can increase its interests to 85% of which 26% can be earned by the Company delivering to Eagle Trail and Guinness a bankable Feasibility Study on the property and the final 10% can be earned by arranging for the production financing to place the property into commercial production.

The property is encumbered with a 3% net smelter return royalty due and payable to Eagle Trail of which 1% can be purchased by the Company for \$1,500,000 provided the Company has first acquired a 75% undivided interest in and to the Property.

A finder’s fee calculated in accordance with the guidelines of the TSX-V is payable in connection with the transaction.

During the six month period ended January 31, 2011, the Company has incurred property investigation costs aggregating \$52,454 which have been expensed during the period.

b) Discovery Creek Property

On February 7, 2011, the Company entered into a LOI with Aurchem Exploration Ltd, to acquire up to a 100% interest in 179 mineral claims immediately to the west of the Charlotte Property. Pursuant to the LOI in order to acquire the 100% interest in the property Ansell will pay \$3,000,000 cash over a five year period. The agreement is subject to regulatory approval, and a finder’s fee calculated in accordance with the guidelines of the TSX-V is payable in connection with the transaction.