

ACADIAN MINING CORPORATION

**Condensed Consolidated Interim Financial Statements
Nine Months Ended September 30, 2011 and 2010**

Unaudited – Prepared by Management

Notice of disclosure of non-auditor review of condensed consolidated interim financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying condensed consolidated interim financial statements of the Company for the period ended September 30, 2011, have been prepared in accordance with international financial reporting standards and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these condensed consolidated interim financial statements.

ACADIAN MINING CORPORATION
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	September 30, 2011	December 31, 2010
		(note 17)
ASSETS		
Current		
Cash and cash equivalents	\$ 1,766,892	\$ 477,751
Accounts receivable (note 5)	253,725	68,968
Prepaid expenses and deposits	84,818	53,788
	2,105,435	600,507
Cash Held for Site Remediation	108,830	1,033,313
Property, Plant and Equipment (note 7)	745,447	6,966,177
Mineral Resource Properties (note 6)	5,311,991	5,244,211
	\$ 8,271,703	\$ 13,844,208
Liabilities		
Current		
Accounts payable and accrued liabilities (note 9)	\$ 675,021	\$ 2,275,167
Notes payable (note 11)	-	900,000
Guarantee obligation (note 12)	-	1,898,796
	675,021	5,073,963
Accrued site remediation (note 8)	-	2,600,000
	\$ 675,021	\$ 7,673,963
Shareholders' Equity		
Share Capital (note 10)	68,071,829	68,062,712
Share-based payments reserve	6,069,185	5,981,867
Deficit	(66,544,332)	(67,874,334)
	7,596,682	6,170,245
	\$ 8,271,703	\$ 13,844,208

Commitment (note 16)

ACADIAN MINING CORPORATION
Condensed Consolidated Interim Statements of Operations and Comprehensive Gain (Loss)
Periods Ended September 30
(Unaudited)
(Expressed in Canadian Dollars)

	2011		2010	
	3 Months	9 Months	3 Months	9 Months
			(note 17)	(note 17)
Operating Expenses				
Exploration	\$ 940,460	1,559,275	\$ 295,228	1,158,353
Salaries and benefits	158,132	665,149	213,367	771,740
Professional fees	86,504	184,860	59,969	233,398
Office and general	22,257	46,699	21,324	73,044
Insurance	13,796	37,555	10,876	55,762
Investor relations	24,333	24,333	2,151	13,705
Travel	68,568	131,358	22,799	110,869
Share-based payments	27,383	87,318	49,046	101,083
Rent	15,661	15,061	26,311	79,083
Filing Fees	5,727	50,594	20,988	53,234
Transfer Agent Fees	12,817	17,998	2,965	27,886
Financing charges (note 13)	2,486	6,661	106	29,900
Amortization	34,603	65,778	25,021	72,879
Operating Loss from Continuing Operations	\$ (1,412,127)	(2,892,639)	\$ (750,151)	(2,780,936)
Interest and other income (note 13)	-	4,400	29,460	29,630
Loss from investee accounted for using the equity method and impairment charge (note 4)	-	-	-	(1,957,446)
(Loss) for the period from continuing operations	\$ (1,412,127)	(2,888,239)	(720,691)	(4,708,752)
Gain on settlement of guarantee obligation (note 12)	-	1,198,796	-	-
Discontinued operation (note 8)	-	(449,346)	(839,865)	(1,226,695)
Gain on sale of Mining Assets (note 8)	-	3,468,791	-	-
Net Profit (Loss) and Comprehensive Profit (Loss) for Period	\$ (1,412,127)	1,330,002	\$ (1,560,556)	(5,935,447)
Earnings (Loss) Per Share – Basic and Diluted	(0.03)	0.03	(0.03)	(0.11)
Weighted Average Number of Common Shares Outstanding	54,160,195	54,178,043	49,430,836	53,301,013

ACADIAN MINING CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
Nine Month Period Ended September 30
(Unaudited)
(Expressed in Canadian Dollars)

	2011	2010
		(note 17)
Operating Activities		
Net Profit (Loss)	\$ 1,330,002	\$ (5,935,447)
Amortization	65,778	72,879
Loss from investee accounted for using the equity method and impairment charge	-	1,957,446
Share based payments	87,318	101,083
Net changes in non-cash working capital items (note 14)	(1,794,498)	1,028,055
Cash Used in Operating Activities	(311,400)	(2,775,984)
Investing Activities		
Acquisition of capital assets	(221,046)	(167,827)
Proceeds from sale of capital assets	219,889	-
Acquisition of mineral resource properties, net	(58,657)	(265,178)
Net change in assets (liabilities) held for sale	(2,972,058)	694,399
Cash Provided by Financing Activities	\$ (3,031,872)	\$ 261,394
Financing Activities		
Issue of Share Capital	-	1,477,016
Proceeds of Sale of investment in Royal Roads	-	1,962,838
Gain on settlement of guarantee obligation	(1,198,796)	-
Repayment of guarantee obligation	(700,000)	-
Gain on disposal of mining assets	(3,468,791)	-
Proceeds from sale of mining assets	10,000,000	-
Cash Provided by Financing Activities	4,632,413	3,439,854
Net Change in Cash and Cash Equivalents for the Period	1,289,141	925,264
Cash and Cash Equivalents, Beginning of Period	477,751	421,652
Cash and Cash Equivalents, End of Period	\$ 1,766,892	\$ 1,346,916
Non-cash financing and investing activities:		
Cash paid for interest	\$ -	\$ 1,400
Cash paid for income taxes	\$ -	\$ -

ACADIAN MINING CORPORATION

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)

(Expressed in Canadian Dollars)

	Number of shares	Share \$	Share-based payments reserve \$	Deficit \$	Total \$
January 1, 2010	49,169,158	66,569,609	5,852,872	(61,658,628)	10,763,853
Private Placement	4,923,387	1,477,016	-	-	1,477,016
Issued for mineral resource properties	64,706	38,823	-	-	38,823
Share-based payments	-	-	101,084	-	101,084
Loss for nine months	-	-	-	(5,935,447)	(5,935,447)
September 30, 2010	54,157,251	68,085,448	5,953,956	(67,594,075)	6,445,329
Share issue costs	-	(22,736)	-	-	(22,736)
Share-based payments	-	-	27,911	-	27,911
Loss for the three months	-	-	-	(280,259)	(280,259)
December 31, 2010	54,157,251	68,062,712	5,981,867	(67,874,334)	6,170,245
Issued for mineral resource properties	29,411	9,117	-	-	9,117
Share-based payments	-	-	87,318	-	87,318
Profit for nine months	-	-	-	1,330,002	1,330,002
September 30, 2011	54,186,662	68,071,829	6,069,185	(66,544,332)	7,596,682

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

1. NATURE OF OPERATIONS

Acadian Mining Corporation (the “Company” or “Acadian”) is an exploration company based in Nova Scotia. The Company’s head office is on 10 Morris Drive, Suite 6, Dartmouth, Nova Scotia, Canada, B3B 1K8.

Acadian is a publicly listed company continued under the Canada Business Companies Act with limited liability under the laws of Canada. The Company’s shares trade on the Toronto Stock Exchange (“TSX”).

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of Compliance:

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB).

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2010, and the Company’s unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011, which were the Company’s first financial statements prepared in accordance with IFRS. These financial statements were approved and authorized for issue by the Audit Committee and Board of Directors of the Company on November 8, 2011.

The Company’s consolidated financial statements were prepared in accordance with accounting principles generally accepted in Canada (Canadian GAAP) until December 31, 2010. Canadian GAAP differs from IFRS in some areas and, accordingly, the significant accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below and have been consistently applied to all periods presented except in instances where IFRS either requires or permits an exemption. An explanation of how the transition from Canadian GAAP to IFRS has affected the reported consolidated financial statements of the Company is provided in note 17.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

Basis of Presentation:

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 3(k) and 3(l) for the period ended March 31, 2011.

As at September 30, 2011, the Company has cash of \$1,766,892, working capital in the amount of \$1,430,414, and shareholders' equity in the amount of \$7,596,682. Should the going concern assumption prove not to be appropriate, further adjustments will be required to the carrying amounts and/or classification of the Company's assets and liabilities and the adjustments are likely to be material. The condensed consolidated interim financial statements do not reflect any adjustments related to conditions that occurred subsequent to September 30, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those to be used in the preparation of the audited annual financial statements as at December 31, 2011. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated statements for the year ended December 31, 2010, and the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011, which were the Company's first financial statements prepared in accordance with IFRS.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

4. SUBSIDIARIES AND ASSOCIATES

Name of subsidiary	Principal activity	Place of Incorporation and Operation	Proportion of ownership interest and voting power held	
			September 30, 2011	September 30, 2010
ScoZinc Limited ¹	Mining	Nova Scotia	0%	100%
Annapolis Properties Corp.	Exploration	Canada	100%	100%
6179053 Canada Inc.	Exploration	Canada	100%	100%
6927629 Canada Corp.	Holding Company	Canada	100%	100%
Royal Roads Corp ²	Exploration	Canada	0%	0%

1. The Company sold 100% of the shares of its wholly owned subsidiary ScoZinc Limited on May 31, 2011. The accounts were fully consolidated to the date of sale but reclassified as held for sale as of January 1, 2011. The Company recorded a loss from discontinued operations of \$449,346 for the period ended May 31, 2011, and a gain on sale of \$3,468,971, which are reflected in the consolidated interim statements of operations and comprehensive gain (loss).
2. The Company previously owned approximately 32.7 million shares of Royal Roads, representing 29.18% of the issued and outstanding shares of Royal Roads. The investment was accounted for using the equity method of accounting up to the date of sale on April 30, 2010. The Company recorded an equity loss of \$91,696 for that period. During 2010, as a result of selling this investment for proceeds of \$1.96 million, a loss on disposal of investment of \$1,865,750 was recorded. The equity loss and loss on disposal of \$1,957,446 has been reflected in the condensed consolidated interim statements of operations and comprehensive gain (loss).

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

5. ACCOUNTS RECEIVABLE

	September 30, 2011	December 31, 2010
Current HST receivable	\$ 185,725	\$ 28,760
Other receivable	68,000	40,208
	\$ 253,725	\$ 68,968

6. MINERAL RESOUC E PROPERTIES

Mineral resource properties owned 100% by the Company, except as described below consists of the following:

	Fifteen Mile Stream*	Beaver Dam	Forrest Hill	Tangier	Other	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance as at January 1, 2010	2,271,388	570,622	1,351,220	291,249	635,292	5,119,771
Additions	31,952	15,005	1,758	2,828	93,019	144,562
Disposals	-	-	-	-	(20,122)	(20,122)
Balance as at December 31, 2010	2,303,340	585,627	1,352,978	294,077	708,189	5,244,211
Additions	20,856	-	2,239	2,262	42,423	67,780
Disposals	-	-	-	-	-	-
Balance as at September 30, 2011	2,324,196	585,627	1,355,217	296,339	750,612	5,311,991

*In April 2010, the Company signed an access agreement to obtain exclusive rights to conduct mineral exploration activities on certain real property in Fifteen Mile Stream, Nova Scotia, by making payments ranging from \$60,000 to \$100,000 per annum to 2019 and issuing shares ranging from 29,412 to 64,706 common shares per annum to 2013.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Automotive	Office	Mining	Total
	\$	\$	Equipment	fixtures &	Assets	\$
			\$	computer		\$
				equipment		
				\$		
Cost						
Balance as at						
January 1, 2010	405,617	120,840	122,748	514,923	10,181,471	11,345,599
Additions	-	142,130	-	32,140	400,000	574,270
Disposals	-	-	(96,540)	(195,852)	(3,061,324)	(3,353,716)
Balance as at						
December 31, 2010	405,617	262,970	26,208	351,211	7,520,147	8,566,153
Additions	-	14,252	75,347	131,447	-	221,046
Disposals	(219,889)	-	-	-	(7,520,147)	(7,740,036)
Balance as at						
September 30, 2011	185,728	277,222	101,555	482,658	-	1,047,163
Accumulated depreciation and impairment losses						
Balance at January 1, 2010						
	-	15,589	69,281	121,062	3,831,400	4,037,332
Depreciation for the year	-	8,816	16,040	75,180	59,654	159,690
Disposals	-	-	(70,026)	-	(2,527,020)	(2,597,046)
Balance as at						
December 31, 2010	-	24,405	15,295	196,242	1,364,034	1,599,976
Depreciation for the period	-	9,213	10,933	45,628	-	65,774
Disposals	-	-	-	-	(1,364,034)	(1,364,034)
Balance as at						
September 30, 2011	-	33,618	26,228	241,870	-	301,716
Carrying amounts						
At January 1, 2010	405,617	105,251	53,467	393,861	6,350,071	7,308,267
At December 31, 2010	405,617	238,565	10,913	154,969	6,156,113	6,966,177
At September 30, 2011	185,728	243,604	75,327	240,788	-	745,447

- Mining assets were classified as assets held for sale as of January 1, 2011, and sold as of May 31, 2011 (note 8).

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

8. SALE OF MINING ASSETS

Acadian signed a letter agreement with Selwyn Resources Ltd (Selwyn) on February 18, 2011, whereby Selwyn agreed to acquire the zinc and lead assets of the Company. As of January, 2011, the Company classified these assets as held for sale. On May 31, 2011, the Company closed the transaction and sold 100% of the shares of ScoZinc Limited, a wholly owned subsidiary, which held the Company's lead and zinc assets including Scotia Mine, for cash consideration of \$10 million. The following table presents summarized financial information of the asset and liabilities related to those assets held for sale:

	May 31, 2011	
Assets		
Current Assets	\$	120,796
Cash held for remediation		2,812,500
Mineral resource properties		56,587
Property, Plant and Equipment		6,096,696
Total assets held for sale	\$	9,086,579
Liabilities		
Accounts payable and accrued liabilities	\$	152,623
Accrued site remediation		2,600,000
Total liabilities related to assets held for sale	\$	2,752,623
Net assets held for sale	\$	6,333,956
Gain on sale of Mining Assets		
Proceeds	\$	10,000,000
Net assets held for sale		(6,333,956)
Direct selling costs		(197,253)
	\$	3,468,791

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

The following table presents summarized financial information of the operating loss of the discontinued operation for the periods ended September 30:

	2011		2010	
	3 Months	9 Months	3 Months	9 Months
Amortization	\$ -	59,415	143,400	430,200
Insurance	-	34,880	10,110	51,275
Office and general	-	66,971	18,645	175,825
Professional fees	-	26,600	230	56,634
Rent	-	2,500	1,500	4,500
Salaries and benefits	-	111,217	69,691	216,538
Environmental monitoring	-	146,627	41,063	522,144
Travel	-	1,136	86	3,430
Total operating expenses	\$ -	449,346	284,725	126,054
Interest and other income	--	-	220,171	233,851
Operating loss from discontinued operations	\$ -	(449,346)	(64,554)	(1,226,695)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2011	December 31, 2010
Trade payables	\$ 350,033	\$ 151,070
Accrued liabilities	324,988	1,288,239
Related party payable (note 11)	-	835,858
	\$ 675,021	\$ 2,275,167

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

10. SHARE CAPITAL

During the quarter ended March 31, 2011, the Company issued 29,411 common shares at a deemed price of \$0.31 as consideration for land access rights at the Fifteen Mile Stream property. There were no further changes for the period ended September 30, 2011.

During the year ended December 31, 2010:

- (a) In November 2010, the Company consolidated its outstanding common shares on a basis of one post-consolidation share for every ten pre-consolidation shares as approved by the shareholders of the Company. The Company's common shares commenced trading on a consolidated basis on November 17, 2010. All comparative figures have been retrospectively adjusted as if this share consolidation occurred on January 1, 2010.
- (b) The Company completed a private placement of 4,923,387 common shares to Golden River Resources Corp ("Golden River"), at a price of \$0.30 per share for aggregate gross proceeds of \$1,477,016 and incurred share issue costs of \$22,736. As of September 30, 2011, Golden River owned 38,994,020 common shares, or approximately 71.95% of the issued and outstanding common shares of the Company.
- (c) The Company issued 64,706 common shares at a deemed price of \$0.60, as consideration for land access rights at the Fifteen Mile Stream property.

Share-based compensation plan

At the annual and special meeting of shareholders held on June 14, 2007, the shareholders adopted a 10% "rolling" incentive stock option plan (the "Plan"). The purpose of the plan is to attract and retain directors, officers, employees, and service providers to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options. Options granted under the Plan have a five-year term. Options are granted at a price no lower than the market price of the common shares at the time of the grant.

The rules of the Toronto Stock Exchange ("TSX") provide that all unallocated options issuable under a "rolling" stock option plan must be approved by shareholders every three years after institution of the stock option plan. The plan was approved at the annual and special Shareholders Meeting held June 24, 2010. Share options outstanding prior to November 17, 2010 have been retrospectively adjusted for the share consolidation on the basis of 10 for 1 as discussed above.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

A summary of the Company's options at September 30, 2011, and December 31, 2010, is presented below:

	Options Outstanding		Weighted Average Exercise Price
Balance, January 1, 2010	509,500	\$	8.20
Expired	(291,500)	\$	7.90
Issued	800,000	\$	0.45
Balance, December 31, 2010	1,018,000	\$	2.19
Expired	(106,000)	\$	8.20
Issued	300,000	\$	0.45
Balance, September 30, 2011	1,212,000		

During the period ended September 30, 2011:

- (a) On June 23, 2011, the Company granted 100,000 options to the chief financial officer with an exercise price of \$0.45 per share, expiring June 23, 2016, to be vested one-third on grant date, one-third 12 months from grant date, and one-third 24 months from grant date.
- (b) On July 13, 2011, the Company granted an aggregate of 200,000 options to seven employees with an exercise price of \$0.45 per share, expiring July 13, 2016, to be vested one-third on grant date, one-third 12 months from grant date, and one-third 24 months from grant date.

During the year ended December 31, 2010:

- (a) On June 15, 2010, the Company granted 500,000 options to the president and chief executive officer of the Company with an exercise price of \$0.45 per share expiring June 15, 2015, to be vested one-third on grant date, one-third 12 months from the grant date, and one-third 24 months from the grant date.
- (b) On August 18, 2010, the Company granted an aggregate of 300,000 options to three directors of the Company with an exercise price of \$0.45 per share expiring August 18, 2015, to be vested one-third on grant date, one-third 12 months from the grant date, and one-third 24 months from the grant date.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

The following table summarizes information about the options outstanding and exercisable at September 30, 2011:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
April 27, 2012	\$ 11.20	20,000	20,000
June 15, 2012	\$ 10.00	40,000	40,000
September 27, 2012	\$ 10.10	10,000	10,000
February 12, 2013	\$ 7.10	12,000	12,000
June 10, 2013	\$ 5.80	30,000	30,000
June 15, 2015	\$ 0.45	500,000	333,334
August 18, 2015	\$ 0.45	300,000	200,000
June 23, 2016	\$ 0.45	100,000	33,333
July 13, 2016	\$ 0.45	200,000	66,667
		1,212,000	745,334
Weighted average remaining contractual life in years		3.85	3.00

The following table summarizes information about the options outstanding and exercisable at December 31, 2010:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
April 17, 2011	\$ 7.10	60,000	60,000
April 17, 2012	\$ 11.20	20,000	20,000
June 15, 2012	\$ 10.00	80,000	80,000
September 27, 2012	\$ 10.10	15,000	15,000
February 12, 2013	\$ 7.10	13,000	13,000
June 10, 2013	\$ 5.80	30,000	30,000
June 15, 2015	\$ 0.45	500,000	166,667
August 18, 2015	\$ 0.45	300,000	100,000
		1,018,000	484,667
Weighted average remaining contractual life in years		3.85	3.09

The total calculated fair value of stock-based compensation for the period ended September 30, 2011 would be allocated in the statements of operations as salaries and benefits.

Options granted by the Company vest over multiple periods. The Company recognized compensation expense based on vesting items. As at September 30, 2011, \$13,428 remains to be expensed during the remainder of the year to end December 31, 2011.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

In determining the stock-based compensation expense, in fiscal 2011, the fair value of the options issued were estimated using a Black-Scholes option pricing model with the following weighted average assumptions used:

	2011	2010
Risk-free interest rate	1.50%	1.50%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	62%	62%
Expected life of options	5 years	5 years
Grant date fair value	\$0.30	\$0.30

11. RELATED PARTY TRANSACTIONS

As part of the conditions of a private placement with Golden River in 2009, the Company in July 2009, acquired the remaining 50% of the Fifteen Mile Stream mineral claims for a cash payment of \$79,610 and a non-interest-bearing note for \$1.0 million due one year from the date of acquisition and a 1% NSR payable to Mr. Will Felderhof, former President, Director and CEO of the Company, and members of his family. The Company had the option to extend these terms for a further 12 months for a \$100,000 principal payment. On July 8, 2011, the Company issued a \$900,000 payment for full settlement on this note payable.

During the year, the Company received funds from the controlling shareholder, Golden River, in the aggregate amount of \$1,664,000. In the previous year, the Company had received funds of \$835,858 bringing the balance due to \$2,499,858. This was a non-interest-bearing loan with no set terms of repayment. This loan was repaid in full during the previous quarter.

During the previous year, the Company charged fees for common costs and salaries of \$60,000 to Royal Roads and its wholly owned subsidiary, Buchans River Ltd., including a proportionate share of rent, administrative supplies and services, as well as services provided by the Company, including those of controller, engineers, and geologists. This amount was offset against interest owing to Royal Roads on inter-company advances.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

The remuneration of directors and other members of key management personnel during the periods ended September 30, 2011 and 2010 were as follows:

	2011		2010	
	3 Months	9 Months	3 Months	9 Months
Salaries and directors fees	\$ 97,500	455,000	328,000	505,015 ²
Share-based payments ¹	17,889	77,824	-	-
	\$ 115,389	532,824	328,000	505,015

1. Share-based payments are the fair value of options granted to key management personnel
2. Key management personnel were paid \$300,000 in termination benefits during the quarter ended March 31, 2010.

12. GUARANTEE OBLIGATION

ScoZinc Limited, a wholly owned subsidiary of the Company (“ScoZinc”) entered into lease agreements for heavy equipment with Komatsu Finance (“Komatsu”), which transferred substantially all the benefits and risks of ownership to ScoZinc. The leases bore interest at 7.2%, were for a four-year term, and had an option for ScoZinc to acquire the assets for 10% of the original cost. ScoZinc placed a 20% down payment on the leases. ScoZinc’s obligations under the leases were guaranteed by the company.

ScoZinc suspended payments under the lease obligations to Komatsu in December 2008, prior to seeking protection under the Companies’ Creditors Arrangement Act. In April 2009, ScoZinc returned the leased fleet, with a book value of \$2,821,779 to Komatsu once the slope rehabilitation project was completed.

Acadian guaranteed the equipment leases with Komatsu. The amounts owing under the agreements were fully accrued in the financial statements as current liabilities. During the 2010 year, the last of the equipment was sold and the Company agreed on the final amounts due to Komatsu. The company had commenced making monthly principal payments and settled the liability in full during May 2011, with a gain of \$1,198,796.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

13. INTEREST AND OTHER INCOME

	2011		2010	
	3 Months	9 Months	3 Months	9 Months
Interest income	\$ -	-	\$ 1,460	1,630
Miscellaneous revenue	-	4,400	28,000	28,000
Gain on sale of assets	-	-	-	-
	\$ -	4,400	29,460	29,630
Financing charges				
Interest expense and bank charges	\$ 2,486	6,661	\$ 106	29,900
	\$ 2,486	6,661	\$ 106	29,900

14. SUPPLEMENTAL CASH FLOW INFORMATION

	2011	2010
Accounts Receivable	\$ (228,242)	\$ (32,101)
Prepaid Expenses	(31,032)	21,300
Accounts payable and Accrued liabilities	(1,535,224)	977,877
Advances (repayments) from/to Royal Roads	-	60,979
	\$ (1,794,498)	\$ 1,028,055

15. FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents as held-for-trading; accounts receivable are classified as loans and receivables; and accounts payable and accrued liabilities, notes payable, capital lease obligations and advances from related party as other financial liabilities.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

Management of capital risk

The Company's objective when managing capital are: (i) to ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans; (ii) to minimize the cost of capital while taking into consideration current and future industry, market and economic risks and conditions; and (iii) safeguard the Company's ability to continue as a going concern in order to pursue the development of its mining properties and to maintain flexible capital structure, which optimizes the costs of capital at an acceptable rate.

In the management of capital the Company only includes shareholders' equity, which at September 30, 2011, is \$7,596,682.

There are no externally imposed capital requirements. The Company manages the capital structure and makes adjustments to it depending on economic conditions and the rate of anticipated expenditures. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and investments. At the present time, the only capital requirements are to satisfy the current liabilities. There were no changes in the Company's approach to capital management during the period.

Fair value

The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value.

Credit risk

The Company is exposed to credit risk with respect to its cash, accounts receivable, and loan receivable. The credit risk associated with cash is minimal as cash has been placed with a major Canadian financial institution with strong investment-grade ratings by a primary ratings agency. The Company is not exposed to significant credit risk with respect to accounts receivable, as \$185,725 of the amount due is from a government agency.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company has cash at September 30, 2011, in the amount of \$1,766,892, which is sufficient to meet its short-term business requirements. At September 30, 2011, the Company had accounts payable and accrued liabilities of \$675,021 with contractual maturities of 90 days.

Market risk

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

(a) Interest rate risk

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

(b) Foreign currency rate risk

The Company is not exposed to significant foreign currency risk.

(c) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

16. COMMITMENT

During the quarter, the Company entered into a lease for an office premises with minimum annual lease payments of \$112,682. The lease begins on July 1, 2011, and ends on June 30, 2016, with a right to terminate after June 30, 2013, for a penalty equal to four months base rent.

The Company is committed to minimum annual lease payments of \$103,607 on its former office premises until October 2013. Effective September 1, 2010, The Company has sublet its former office premises for an amount equal to its cost.

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

17. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS:

As stated in note 2, these unaudited condensed consolidated interim financial statements, including comparatives provided, have been prepared in accordance with IAS 34 and accounting policies consistent with IFRS as described in note 3. An explanation of IFRS 1, first-time adoption of IFRS exemptions and the required reconciliations between IFRS and Canadian GAAP are described in the Company's unaudited condensed consolidated financial statements for the three months ended March 31, 2011, and below:

Reconciliation of Assets, Liabilities, and Equity

The below table provides a summary of the adjustments to the Company's consolidated statements of financial position at December 31, 2010, and September 30, 2010:

	December 31, 2010	September 30, 2010
Total assets per Canadian GAAP	\$ 13,844,208	\$ 14,727,780
Adjustments required on adoption of IFRS	-	-
Total assets per IFRS	\$ 13,844,208	\$ 14,727,780
Total Liabilities under Canadian GAAP	\$ 7,673,963	\$ 8,282,451
Adjustments required on adoption of IFRS	-	-
Total Liabilities under IFRS	\$ 7,673,963	\$ 8,282,451
Shareholders' Equity		
Total equity under Canadian GAAP	\$ 6,170,245	\$ 6,445,329
Adjustments required on adoption of IFRS	-	-
Total Equity under IFRS	6,170,245	6,445,329
Total liabilities and Equity under IFRS	\$ 13,844,208	\$ 14,727,780

ACADIAN MINING CORPORATION
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited
(Expressed in Canadian Dollars)
Periods Ended September 30, 2011 and 2010

Reconciliation of Net Income

The below table provides a summary of the adjustments to net loss for the three and nine months ended September 30, 2010:

	Three Months		Nine Months	
Net Loss and comprehensive loss per Canadian GAAP	\$	1,560,556	\$	5,935,447
Adjustments required on adoption of IFRS		-		-
Net loss and comprehensive loss per IFRS	\$	1,560,556	\$	5,935,447

Reconciliation of cash-flows

The below table provides a summary of the adjustments to cash-flows for the three and nine months ended September 30, 2010:

	Three Months		Nine Months	
Operating Activities				
Operating Activities per Canadian GAAP	\$	(1,029,192)	\$	(2,501,277)
Adjustments required on adoption of IFRS		-		-
Operating Activities per IFRS	\$	(1,029,192)	\$	(2,501,277)
Investing Activities per Canadian GAAP	\$	(98, 540)		(114,447)
Adjustments required on adoption of IFRS		-		-
Investing Activities per IFRS	\$	(98,540)		(114,447)
Financing Activities per Canadian GAAP	\$	1,526,062		3,540,938
Adjustments required on adoption of IFRS		-		-
Financing Activities per IFRS	\$	1,526,062		3,540,938