

NIO-STAR CORP.
(Formerly 1208172 Ontario Limited)
(An Exploration Stage Company)
Financial Statements
Year Ended December 31, 2010
(Expressed in Canadian Dollars)



Ross, Pope & Company LLP

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Nio-Star Corp. (Formerly 1208172 Ontario Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Nio-Star Corp., formerly 1208172 Ontario Limited, which comprise the balance sheet as at December 31, 2010, and the statements of loss and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report to the Shareholders of Nio-Star Corp. (Formerly 1208172 Ontario Limited)
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nio-Star Corp., formerly 1208172 Ontario Limited, as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matters

Although the Company has taken steps to verify the title to mineral 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 or transfers and title may be affected by undetected defects.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As more fully described in the notes to these financial statements, the Company has not generated revenues to date. This condition raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets in the amounts and classifications of liabilities that may be result from the outcome of this uncertainty.

Other Matters

The 2009 comparative figures are unaudited.

Ross, Pope & Company LLP

Kirkland Lake, Ontario
July 4, 2011

ROSS, POPE & COMPANY LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

NIO-STAR CORP.*(Formerly 1208172 Ontario Limited)***Balance Sheet****December 31, 2010**

	2010	2009 <i>(Unaudited)</i>
ASSETS		
CURRENT		
Cash	\$ 7,447	\$ 269
Accounts receivable	111,359	2,353
	118,806	2,622
MINERAL PROPERTY INTERESTS <i>(Note 5)</i>	488,400	398,400
CAPITAL ASSETS <i>(Note 6)</i>	1,900	2,612
	\$ 609,106	\$ 403,634
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Accounts payable and accrued liabilities	\$ 693,415	\$ 457,551
Balance due on property purchases <i>(Note 7)</i>	130,000	145,000
Loans and advances <i>(Note 9)</i>	425,188	652,140
Due to Sarissa Resources Inc. <i>(Note 8)</i>	1,383,480	454,257
	2,632,083	1,708,948
SHAREHOLDERS' DEFICIENCY		
Share capital <i>(Note 10)</i>	200	200
Deficit	(2,023,177)	(1,305,514)
	(2,022,977)	(1,305,314)
	\$ 609,106	\$ 403,634

ON BEHALF OF THE BOARD

*Director*_____
Director

NIO-STAR CORP.**(Formerly 1208172 Ontario Limited)****Statement of Loss and Deficit****Year Ended December 31, 2010**

	2010	2009 <i>(Unaudited)</i>
EXPENSES		
Advertising and promotion	\$ 23,528	\$ 35,030
Amortization	713	1,188
Consulting fees	26,500	46,015
Exploration and evaluation expenditures <i>(Note 12)</i>	427,891	829,069
Loan extension fee	5,000	-
Management salaries	191,250	180,000
Occupancy costs	59,410	26,510
Miscellaneous	14,127	18,616
Office	-	1,626
Professional fees	29,597	10,091
	778,016	1,148,145
LOSS FROM OPERATIONS	(778,016)	(1,148,145)
FOREIGN CURRENCY GAIN	60,353	35,400
NET LOSS	(717,663)	(1,112,745)
DEFICIT - BEGINNING OF YEAR	(1,305,514)	(192,769)
DEFICIT - END OF YEAR	\$ (2,023,177)	\$ (1,305,514)

NIO-STAR CORP.**(Formerly 1208172 Ontario Limited)****Statement of Cash Flows****Year Ended December 31, 2010**

	2010	2009 <i>(Unaudited)</i>
OPERATING ACTIVITIES		
Net loss	\$ (717,663)	\$ (1,112,745)
Items not affecting cash:		
Amortization of property, plant and equipment	713	1,188
Loan extension fee	5,000	-
	(711,950)	(1,111,557)
Changes in non-cash working capital:		
Accounts receivable	(109,006)	(2,353)
Accounts payable and accrued liabilities	235,863	398,074
Prepaid expenses	-	373
	126,857	396,094
Cash flow used by operating activities	(585,093)	(715,463)
INVESTING ACTIVITY		
Mineral property interests	-	(18,400)
FINANCING ACTIVITIES		
Proceeds from loans and advances	-	512,631
Loans and advances	807,934	-
Payments on mineral property debt	(110,000)	(160,000)
Increase (decrease) in amount due to Sarissa Resources Inc.	(105,663)	372,396
Cash flow from financing activities	592,271	725,027
INCREASE (DECREASE) IN CASH FLOW	7,178	(8,836)
Cash - beginning of year	269	9,105
CASH DEFICIENCY - END OF YEAR	\$ 7,447	\$ 269

Supplementary cash flow information (Note 13)

NIO-STAR CORP.

(Formerly 1208172 Ontario Limited)

Notes to Financial Statements

Year Ended December 31, 2010

1. DESCRIPTION OF BUSINESS

Nio-Star Corp. (the "Company") (formerly 1208172 Ontario Ltd.) was incorporated under the Business Corporations Act of Ontario. On November 8, 2010 the corporation filed "Articles of Amendment" changing the name of the corporation from 1208172 Ontario Ltd. to Nio-Star Corp.

The Company's principal business activity is the acquisition, exploration and development of mineral property interests in Canada. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and developing these property "Niobium" interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable. To date, the Company has not earned significant revenues from mineral exploration and is considered to be in the development stage.

The recoverability of the amounts capitalized for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from dispositions of such properties. Changes in future conditions could require material write-downs of the carrying amounts of mineral properties.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company currently earns no operating revenues. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholder and creditors. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 year. Actual results could differ from these estimates. Significant accounts that require estimates relate to the impairment of mineral properties, loans payable, the valuation taken on future income tax assets, and valuation of related party transactions..

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NIO-STAR CORP.

(Formerly 1208172 Ontario Limited)

Notes to Financial Statements

Year Ended December 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Mineral properties

All costs related to the acquisition 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.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred.

Once a project has been established as commercially viable and technically feasible, the related development expenditure are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. 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. The Company currently does not have any asset retirement obligations.

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NIO-STAR CORP.

(Formerly 1208172 Ontario Limited)

Notes to Financial Statements

Year Ended December 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Motor vehicles	20%	declining balance method
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The Company regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Future changes in significant accounting policies

The following accounting standards have been issued by the Canadian Institute of Chartered Accountants (CICA) but are not yet effective for the Company. The Company is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2012.

Section 1582, "Business combinations" replaces Section 1581 effective for years beginning on or after January 1, 2011. The principal changes are: assets, liability and equity are recognized at full fair value rather than the acquirer's interest in the fair value; a bargain purchase resulting in negative goodwill is recognized as a gain in net income in the acquisition period.

Section 1601, "Consolidated financial statements" replaces Section 1600 effective for years beginning on or after January 1, 2011. The principal change are those reflecting the changes in new Section 1582 and the recognition of non controlling interest at fair value.

Section 1602, "Non controlling interests" effective for years beginning on or after January 1, 2011 in conjunction with Section 1582, "Business combinations", and Section 1601, "Consolidated financial statements", recognizes a non controlling interest at fair value in the equity Section of the balance sheet.

NIO-STAR CORP.

(Formerly 1208172 Ontario Limited)

Notes to Financial Statements

Year Ended December 31, 2010

3. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk that its counter parties to its financial instruments will be unable to pay any amounts owed by the Company. Management's assessment of the Company's risk is low as it is primarily attributable to money market funds held in a Canadian bank, goods and service tax due from the Federal Government of Canada, receivables due from a related party (Note 11), which are included in accounts receivable. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its bank.

Fair Value

The Company's carrying value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short term maturity of these instruments.

The fair value of amounts due to shareholders is less than carrying value because the amounts are non-interest bearing. However, because the amounts due to shareholders have no fixed repayment terms, the fair value and the exposure to related risk cannot be determined with any degree of certainty, and the amounts are therefore reported at their carrying value.

Currency Risk

Currency risk is the risk to the Company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest Rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company intends on fulfilling its obligations through additional debt and equity financings.

Under Section 3855, all financial instruments are classified into one of five categories: held for trading, held-to-maturity investments, loans and receivables, available for sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet of the year of adoption at fair value.

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments:

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NIO-STAR CORP.

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Notes to Financial Statements

Year Ended December 31, 2010

3. FINANCIAL INSTRUMENTS *(continued)*

Cash and cash equivalents	Held for trading
Portfolio investments	Available for sale
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Loans and advances	Other financial liabilities
Due to Sarissa Resources Inc.	Other financial liabilities

Subsequent measurement and treatment of any gain or loss on the financial instruments is recorded as follows:

- a) Held for trading financial assets are measured at fair value at the balance sheet date with any gain or loss recognized immediately in net income. Interest and dividends earned from held for trading assets are also included in income for the period.
- b) Loans and receivables are measured at amortized cost using the effective interest method. Any gain or loss is recognized in net income.
- c) Held to maturity financial assets are measured at amortized cost using the effective interest method. Any gain or loss is recognized in net income.
- d) Available for sale financial assets are measured at fair value at balance sheet date with any gain or loss recognized in other comprehensive income and, cumulatively, in accumulated other comprehensive income in the equity Section of the balance sheet. Such accumulated gain or loss is transferred through net income to retained earnings on disposition of the asset.
- e) Other financial liabilities are measured at amortized cost using the effective interest method.
- f) Transaction costs that are directly attributable to the issuance of financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognized over the term of the assets or liabilities using the effective interest method. Any gains or losses are recognized in net income.

CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- 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.

NIO-STAR CORP.**(Formerly 1208172 Ontario Limited)****Notes to Financial Statements****Year Ended December 31, 2010****4. CAPITAL MANAGEMENT**

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 and exploration 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. The Company defines capital that it manages as accounts payable and accrued liabilities, balance due on property purchases, loans and advances, due to Sarissa Resources Inc., and loans and advances.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets of its parent company to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

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

5. MINERAL PROPERTY INTERESTS

	2010	2009
Chewett and Collins Township, Northern Ontario	\$ 488,400	\$ 398,400

- a) On December 23, 2007 the parent Company (Sarissa Resources Inc.) acquired approximately 757.459 hectares consisting of 7 patented claims (the "Rapski" Claims) in Chewett and Collins Townships, Porcupine Mining District, Ontario. The initial patented claims were purchased on December 23, 2007 for \$380,000 (US) which are subject to a 2% NSR. The Rapski claims were assigned to Nio-Star Corp. by a Board Resopution dated January 15, 2011. The Company can purchase 1.5% of the NSR at any time for \$2,000,000 (US). The vendor retains a separate Net Profits Interest on any sales of any diamonds, gems and other precious and semi-precious stones.
- b) On December 31, 2009 the Company acquired 2,700 acres consisting of 7 claims (the "Windsor" claims) for \$90,000 which are subject to a 2% NSR. The Company can purchase 1.0% of the NSR for \$1,000,000 and an additional 0.5% for \$1,000,000 at any time.
- c) In addition the Company acquired 9 unpatented claims for \$18,400 which are subject to a 2% NSR.

Title to mineral property interests

Although the Company has taken steps to verify the title to mineral 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 or transfers and title may be affected by undetected defects.

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Motor vehicles	\$ 4,750	\$ 2,850	\$ 1,900	\$ 2,612

NIO-STAR CORP.

(Formerly 1208172 Ontario Limited)

Notes to Financial Statements

Year Ended December 31, 2010

7. BALANCE OF PURCHASE PRICE PAYABLE

The Balance of Purchase Price Payable on property purchases consists of the following:

- a) The "Rapski" claims are subject to a registered mortgage security interest against the property in the amount of \$60,000. The Company paid an extension fee of \$5,000 to extend the final payment to December 31, 2011.
- b) The "Windsor" claims of \$70,000 are due December 31, 2011. Subsequent to the year end the Company paid \$30,000 in respect of this liability.
- c) The unpatented claims require \$73,366 of assessment work over the next eighteen months to keep them in good standing.

8. DUE TO SARRISA RESOURCES INC.

The amount due to the parent company are non interest bearing and repayable on demand.

9. LOANS AND ADVANCES

Loans and Advances are non interest bearing and are repayable on demand.

10. SHARE CAPITAL

Authorized:

Unlimited Common shares, without par value

	2010	2009
Issued:		
1 Common share	\$ 200	\$ 200

NIO-STAR CORP.
(Formerly 1208172 Ontario Limited)

Notes to Financial Statements

Year Ended December 31, 2010

11. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions:

	<u>2010</u>	<u>2009</u>
For the years' ended December 31. The Company incurred the following expenses with related parties:		
To a director who is the president, for management fees	\$ 127,500	\$ 120,000
To a director who is president for expenses incurred on behalf of the Company	9,131	66,789
To the general mining contractor and a company controlled by the general manager for corporate and project management fees	167,279	161,988
To the general contractor and a company controlled by the general contractor for expenses incurred on behalf of the Company	264,733	398,935
To a Company controlled by the general contractor for exploration expenditures incurred by third parties	30,000	12,500
To a co-ownership for corporate office rental, controlled by the president and a relative of the general contractor	27,600	6,900
To a company for office space and accommodation in Chapleau, Ontario, which is controlled by the general contractor and a relative of the president	4,500	23,500
	<u>\$ 630,743</u>	<u>\$ 790,612</u>

The expenses arise from non contractual arrangements. The management fees charged by the general contractor's company provides for a base fee and a percentage of exploration expenditures charged to the Company.

- a) Included in accounts receivable is \$76,752 (2009 – nil) which is due from a relative related to the President.
- b) Included in accounts payable and accrued liabilities is \$219,180 (2009-\$159,300) which are due to the President or a Company controlled by the President. These amounts are interest free and have no fixed terms of repayment.
- c) Included in accounts payable and accrued liabilities is \$389,896 (2009 - \$266,076) which are due to the general contractor and a Company controlled by the general contractor. These amounts are interest free and have no fixed terms of repayment.
- d) Included in accounts payable and accrued liabilities is \$18,000 (2009 - \$10,000) which is due to a co-ownership owned jointly by the President and a relative of the general contractor.
- e) Included in accounts payable and accrued liabilities is \$16,900 (2009-\$2,300) which is due to a Company jointly owned by a relative of the President and the general contractor.
- f) Included in loans and advances is \$135,188 (2009 - \$453,053) which are due to significant Shareholders of Sarissa Resources Inc. They are related to the President and the General contractor. These amounts are interest free and have no fixed terms of repayment.
- g) The amounts due to Sarissa Resources Inc. is \$1,443,833 (2009 - \$ 489,657) These amounts are interest free and have no fixed terms of repayment.

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NIO-STAR CORP.**(Formerly 1208172 Ontario Limited)****Notes to Financial Statements****Year Ended December 31, 2010**11. RELATED PARTY TRANSACTIONS *(continued)*

	<u>2010</u>	<u>2009</u>
h) (i) During 2010 Sarissa Resources Inc. issued 38,254,616 (2009 – 31,881,772) common shares at an issue price of US\$1,358,569 - CDN\$1,323,231 (2009 - US\$719,341 – CDN \$754,841) to settle debts incurred by Nio Star Corp. These amounts included 19,917,747 (2009 – 23,145,384) common shares at an issue price of \$ 1,034,885 (2009 - \$707,130) in settlement of loans, advances exploration work charged or incurred by related parties.		

These transactions were in the normal course of operations and were measured at the exchange amount, which is the, amount of consideration established and agreed to by the related parties.

12. CUMULATIVE EXPLORATION AND EVALUATION EXPENDITURES

	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	For the period from January 1, 2008 to December 31, 2010
Assays	\$ 21,497	\$ 50,974	\$ 430	\$ 72,901
Camp supplies	16,880	41,114	6,383	64,377
Consulting engineering fees and services	60,311	129,366	19,010	208,687
Core storage	-	6,500	-	6,500
Drilling costs	-	236,522	103,967	340,489
Equipment rental & repairs	5,278	9,471	4,118	18,867
Labour	10,477	25,165	675	36,317
Project management fees and expenses	103,155	101,988	9,371	214,514
Property tax and government leases	3,465	2,654	-	6,119
Radiometrics	-	15,300	-	15,300
Site work	177,423	83,329	1,125	261,877
Staking	8,000	67,159	11,570	86,729
Travel costs & allowances	20,770	59,527	15,500	95,797
Miscellaneous - other	635	-	-	635
Exploration expenditures incurred	<u>\$ 427,891</u>	<u>\$ 829,069</u>	<u>\$ 172,149</u>	<u>\$ 1,429,109</u>

13. SUPPLEMENTARY CASH FLOWS

1. During 2010 \$983,524 (2009 - \$645,570) of debt was discharged by the issuance of 22,082,763 (2009 - 27,710,105) Common Shares of Sarissa Resources Inc., of which the Company is a wholly owned subsidiary.
2. During the year the Company acquired additional mineral properties for an amount of \$90,000 and in return issued a note payable to related parties for the same amount.

NIO-STAR CORP.**(Formerly 1208172 Ontario Limited)****Notes to Financial Statements****Year Ended December 31, 2010****14. CUMULATIVE EXPENDITURES TO DECEMBER 31, 2010**

	Year ended December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2008	For the Period from January 1, 2008 to December 31, 2010
EXPENSES				
Advertising and promotion	\$ 23,529	\$ 35,031	\$ 2,000	\$ 60,560
Amortization	713	1,188	950	2,851
Consulting fees	26,500	46,015	1,500	74,015
Net exploration and evaluation expenditures	427,891	829,069	172,149	1,429,109
Loan extension fee	5,000	-	-	5,000
Management fees	191,250	180,000	8,000	379,250
Occupancy costs	59,410	26,510	4,731	90,651
Office and miscellaneous	14,127	20,242	2,210	36,579
Professional fees	29,597	10,091	1,229	40,917
Net loss before the following Unrealized Foreign Currency Gain	(778,017)	(1,148,146)	(192,769)	(2,118,932)
	60,353	35,400	-	95,753
Net loss for the year and Comprehensive Income Deficit, beginning of year	(717,664)	(1,112,746)	(192,769)	(2,023,179)
	(1,305,515)	(192,769)	-	(1,498,284)
Deficit, end of year	\$ (2,023,179)	\$ (1,305,515)	\$ (192,769)	\$ (3,521,463)

15. SUBSEQUENT EVENTS

\$90,000 has been paid in respect of obligations its mining claims purchased under option agreements referred to in note 3 and 7. The registered security interest against the property on the "Rapski" claims has been paid and discharged.

On February 9, 2011 the Parent Company completed a private placement and issued 5,700,000 common shares at a price of \$0.02 per share and received \$114,000(US Currency). The money was transferred to Nio-Star Corp.

On April 8, 2011 the Parent Company completed a private placement and issued 7,700,000 common shares at a price of \$0.02 per share and received \$154,000(US Currency). The money was transferred to Nio-Star Corp.

On April 21, 2011 the Parent Company completed a private placement and issued 5,500,000 common shares at a price of \$0.02 per share and received \$100,000(US Currency). The money was transferred to Nio-Star Corp.