ETHOS CAPITAL CORP.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

(Expressed in Canadian dollars)

(unaudited)

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the periods ended September 30, 2010 and 2009.

ETHOS CAPITAL CORP.
Balance Sheets

	September 30 2010 (unaudited)	December 31 2009
Assets		
Current assets:		
Cash and cash equivalents (note 2 (b))	$ 2,914,698	$ 1,392,457
Amounts receivable	11,290	1,813
Prepaid expenses	2,545	-
	2,928,533	1,394,270
Mineral property interests (notes 3 and 4)	951,565	268,893
	$ 3,880,898	$ 1,663,163
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 40,207	$ 18,925
Due to related parties (note 7)	5,436	1,304
	45,643	20,229
Shareholders' Equity		
Share capital (note 5)	4,539,916	2,007,873
Contributed surplus (note 6)	624,571	322,808
Deficit	(1,330,032)	(687,747)
	3,834,455	1,642,934
Subsequent events (note 9)		
	$ 3,880,098	$ 1,663,163

APPROVED ON BEHALF OF THE BOARD:

"Chris Theodoropoulos" Director

"Peter Wong" Director

ETHOS CAPITAL CORP.

Interim Statements of Loss and Deficit
For the three and nine month periods ended September 30, 2010 and 2009
(unaudited)

	Three months ended Sept 30		Nine months ended Sept 30	
	2010	**2009**	**2010**	**2009**
Expenses				
Business investigative costs	$ 2,754	$ 650	$ 12,897	$ 6,777
Consulting	30,000	58,500	80,000	58,500
Investor relations	13,500	3,000	40,500	3,000
Listing and filing fees	6,425	3,518	22,878	59,523
Office and administrative	24,053	3,844	64,118	18,350
Professional fees	10,100	2,807	31,800	21.274
Rent	5,250	3,450	15,900	10,350
Stock-based compensation	362,225	689	381,499	689
Loss before the undernoted	(454,307)	(76,458)	(649,592)	(178,463)
Interest income	5,566	1,044	8,742	6,025
Foreign exchange loss	(523)	(1,727)	(1,435)	(2,756)
Net loss for the period	(449,264)	(77,141)	(642,285)	(175,194)
Deficit, beginning of period	(880,768)	(547,244)	(687,747)	(449,191)
Deficit, end of period	$ (1,330,032)	$ (624,385)	$ (1,330,032)	$ (624,385)
Net loss per common share	$ 0.02	$ 0.01	$ 0.04	$ 0.02
Weighted average number of shares outstanding	19,020,228	11,049,022	16,634,042	10,970,110

ETHOS CAPITAL CORP.

Interim Statements of Cash Flows
For the three and nine month periods ended September 30, 2010 and 2009
(unaudited)

	Three months ended Sept 30		Nine months ended Sept 30	
	2010	**2009**	**2010**	**2009**
Cash provided by (used in)				
Operating activities				
Net loss for the period	$ (449,264)	$ (77,141)	$ (642,285)	$ (175,194)
Item not affecting cash:				
Share-based compensation	362,225	689	381,499	689
	(87,039)	(76,452)	(260,786)	(174,505)
Changes in non-cash working capital components				
Accounts receivable	(4,868)	(2,728)	(9,477)	(2,956)
Prepaid expense	191,592	-	(2,545)	-
Accounts payable and accrued liabilities	13,483	(46,008)	21,282	(136,777)
Due to related parties	(13,508)	25,029	4,132	21,462
	99,660	(100,159)	(247,394)	(292,776)
Investing activities				
Mineral property expenditures	(503,861)	(100,000)	(672,422)	(100,000)
Financing activities				
Common shares issued for cash	71,500	-	2,567,075	-
Share issue costs	-	-	(125,018)	-
	71,500	-	2,442,057	-
Increase (decrease) in cash	(332,701)	(200,159)	1,522,241	(392,776)
Cash and cash equivalents, beginning of period	3,247,399	1,638,359	1,392,457	1,830,976
Cash and cash equivalents, end of period	$ 2,914,698	$ 1,438,200	$ 2,914,698	$ 1,438,200

Cash and Cash Equivalents, end of period, consisted of

Cash on deposit with a Canadian Senior Bank	$ 42,127	$ 106,600	$ 42,127	$ 106,660
Term deposits and Guaranteed investment certificates issued by a Canadian Senior Bank	$ 2,872,571	$ 1,331,540	$ 2,872,571	$ 1,331,540

1. OPERATIONS

Ethos Capital Corp. (the "Company") was incorporated on March 12, 2007 under the Business Corporations Act ("British Columbia"). In July 2007, the Company completed an initial public offering ("IPO") and was publicly listed as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "TSX-V"). In 2008, the Company announced a proposed Qualifying Transaction (see note 3). In 2009, the TSX-V accepted the Company's Qualifying Transaction and filing statement, and the Company began trading on the TSX-V as a Tier 2 company under the symbol ECC.

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.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its interim financial statements in accordance with Canadian generally accepted accounting principles on a basis consistent with those used and described in the annual financial statements for the year ended December 31, 2009. The disclosures contained in these interim financial statements do not include all the requirements of Canadian generally accepted accounting principles for annual financial statements, and accordingly, these interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2009.

(a) International Financial Reporting Standards ("IFRS")

The CICA has announced it will transition from Canadian generally accepted accounting principles ("Canadian GAAP") for publicly accountable entities to IFRS. The Company's consolidated financial statements are to be prepared in accordance with IFRS for the fiscal year commencing January 1, 2011. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences related to recognition, measurement, and disclosures. The Company is in the process of completing a detailed assessment of the requirements of the transition to IFRS, with the intention of identifying: (i) the timing of the implementation of the transition, (ii) major differences if any from existing accounting policies, (iii) new accounting policies which are appropriate for the Company, (iv) the appropriate disclosures in financial statements prepared under IFRS, and (v) refinement of an implementation plan.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of deposits in a senior Canadian bank, redeemable term deposits and redeemable guaranteed investment certificates issued by and held with a senior Canadian bank.

(c) Stock-based Compensation

The Company uses the fair value method of accounting for options granted under its stock-based compensation plan (see note 5). Stock options are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable and are charged to operations over the vesting period if applicable. The offset is credited to contributed surplus. Cash received on the exercise of stock options is recorded in share capital and the related compensation included in contributed surplus is transferred to share capital to recognize the total consideration for the shares issued.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Loss per common share

Basic loss per common share is calculated by dividing the net loss for the period by the weighted average number of common shares of the Company that was outstanding in the period. Diluted loss per common share includes the potential dilution from common share equivalents, such as stock options and warrants. The treasury stock method is used to calculate potential dilution, whereby any expected proceeds from the exercise of options or other dilutive instruments are assumed to be used for the repurchase of common shares at the average market price during the reporting period.

For the three and nine month periods ended September 30, 2010 and 2009, diluted loss per common share was the same as basic loss per common share as the effect of all outstanding options and warrants was anti-dilutive.

(e) Mineral Property Interests

The Company accounts for its mineral property interests whereby costs relative to the acquisition of, exploration for and development of these interests are capitalized by property. All sales and option proceeds received are first credited against the costs of the related interest, with any excess credited to operations. No gains or losses are recognized on the partial sale or disposition of interests except in circumstances which result in significant dispositions of reserves. Once commercial production has commenced, these net costs are charged to future operations using the unit-of-production method based on estimated recoverable reserves by property. The net costs related to abandoned properties and interests are charged to operations.

3. QUALIFYING TRANSACTION

On July 17, 2009, the TSX-V accepted the Company's Qualifying Transaction and filing statement that allowed the Company to meet Tier 2 Mining Issuer requirements of the TSX-V.

During 2008, the Company signed a Letter of Intent with Cardero Resource Corp. ("Cardero") pursuant to which the Company was granted an option to earn a 70% working interest in three of Cardero's mineral prospects in Mexico. Subsequently during the same year, the Company and Cardero signed a Letter Agreement (the "Amending Agreement") amending the terms of the Letter of Intent. In consideration of Cardero entering into the Amending Agreement, the Company agreed to issue 100,000 common shares of the Company to Cardero within 5 days after the Letter of Intent and the Amending Agreement is accepted for filing by the TSV-V (the "Acceptance Date"). The Company also agreed to pay to an individual at arm's length to the Company a finder's fee of 200,000 common shares of the Company over a three year period, including 50,000 common shares on the Acceptance Date, in consideration of that individual identifying and assisting with the acquisition of the Cardero mineral properties in the Qualifying Transaction. The Company issued the first allotment of 50,000 common shares in July 2009, and the second allotment of 50,000 common shares in July 2010.

Pursuant to the Original Letter of Intent and the Amending Agreement, the Company has an exclusive option (the "Option") to earn an undivided seventy (70%) percent right, title and working interest in two of Cardero's mineral properties in Mexico, the Santa Teresa and Corrales properties (the "Mineral Properties") respectively by:

(a) paying to Cardero the sum of $500,000, as follows:
  (i) $100,000 on the Acceptance Date (completed on July 20, 2009)
  (ii) an additional $150,000 on or before July 20, 2010; and

3. QUALIFYING TRANSACTION (continued)

(iii) an additional $250,000 on or before July 20, 2011;

(b) delivering to Cardero 1,334,000 fully-paid and non-assessable common shares of the Company as follows:

(i) 266,800 common shares of the Company on or before July 20, 2010;
(ii) an additional 466,900 common shares of the Company on or before July 20, 2011; and
(iii) an additional 600,300 common shares of the Company on or before July 20, 2012;

(c) during the currency of the Option, assuming all of the liabilities, and performing, in a timely manner, all of the obligations pursuant to each of the third-party agreements to which Cardero or its subsidiaries hold their rights in and to the Mineral Properties; and

(d) otherwise complying with the terms and conditions of this Letter of Intent and Amending Agreement during the currency of the Option.

Cardero has voluntarily granted a payment extension to the Company, until the current drill program on the Mineral Properties is completed, for the Company to decide if it wishes to make the $150,000 option payment and issue the 266,800 common shares which were both originally due on or before July 20, 2010.

4. MINERAL PROPERTY INTERESTS

The breakdown of the mineral property costs as at June and September 30, 2010 and December 31, 2009 is as follows:

	Santa Teresa	**Corrales**	**Total**
Option payments - cash	50,000	50,000	100,000
Option payments – common shares	15,375	15,375	30,750
Drilling and analysis	$ 81,579	$ 7,819	$ 89,398
Field costs	10,977	$6,761	17,738
Personnel costs	17,513	10,828	28,341
Travel costs	2,666	-	2,666
Total – December 31, 2009	**$ 178,110**	**$ 90,783**	**$ 268,893**
Driling and analysis	2,639	36,160	38,799
Field costs	16,179	64	16,243
Geophysics	-	66,893	66,893
Personnel costs	24,818	12,684	37,502
Travel costs	6,330	2,794	9,124
Total – June 30, 2010	**$ 228,076**	**$ 209,378**	**$ 437,454**

4. MINERAL PROPERTY INTERESTS (continued)

	Santa Teresa	Corrales	Total
Total – June 30, 2010	**$ 228,076**	**$ 209,378**	**$ 437,454**
Finder's fee – common shares	5,125	5,125	10,250
Drilling and analysis	74,592	193,927	268,519
Field costs	1,239	13,357	14,596
Personnel costs	50,310	49,826	100,136
Geochemistry	-	29,020	29,020
Geophysics	18,910	-	18,910
Environmental	-	4,815	4,815
Mining rights	7,102	5,350	12,452
Property rent	8,309	-	8,309
Travel costs	2,509	8,635	11,144
Other	17,980	17,980	35,960
Total – September 30, 2010	**$414,152**	**$537,413**	**$ 951,565**

Management of the Company evaluates the carrying value of its mineral property interests every quarter for impairment. No adjustment was deemed necessary as at September 30, 2010.

5. SHARE CAPITAL

(a) Authorized
Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Common shares - Issued and outstanding

	Number of Common Shares		Amount
Balance, December 31, 2009	**11,200,000**	**$**	**2,007,873**
Issued common shares for cash pursuant to private placements	7,708,000		2,483,200
Share issue costs paid in cash	-		(125,018)
Issued common shares for cash pursuant to exercise of warrants	37,500		12,375
Balance, June 30, 2010	**18,945,500**		**4,378,430**
Issued pursuant to mineral property option payment	50,000		10,250
Exercise of warrants	50,000		16,500
Exercise of stock options	250,000		55,000
Fair value of stock options transferred from contributed surplus	-		(79,736)
Balance, September 30, 2010	**19,295,500**	**$**	**4,539,916**

In the first quarter of 2010, the Company completed a private placement and issued 4,000,000 units at a price of $0.25 per unit for gross proceeds of $1,000,000 before share issue costs of $11,525. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.33 per common share until January 28, 2011.

5. SHARE CAPITAL (continued)

(b) Common shares - Issued and outstanding (continued)

In the second quarter of 2010, the Company completed a private placement and issued 3,708,000 units at a price of $0.40 per unit for gross proceeds of $1,483,200. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.55 per common share until November 21, 2011.
The Company paid a finder's fee of $94,024 in cash and issued 235,060 finders' warrants, with each finder's warrant entitling the holder to purchase one common share of the Company at a price of $0.45 per common share until November 21, 2011.

As at September 30, 2010, the Company had 1,455,000 common shares issued and under escrow. Pursuant to an escrow agreement, in July 2009, the initial 10% of the original 2,425,000 escrowed common shares was released from escrow on the acceptance by TSX-V of a Qualifying Transaction completed by the Company. Commencing in January 2010, 15% of the original number of escrowed common shares are to be released every 6 months thereafter.

(c) Stock options

During 2007, the Company adopted an incentive share option plan (the "Previous Plan") which provided that the Board of Directors may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferrable options to purchase common shares of the Company, provided that the number of common shares reserved for issuance does not exceed 1,090,000, representing 10% of the issued and outstanding common shares of the Company at the closing of the IPO.

During the second quarter of 2010, the Company received shareholder approval to adopt a share option plan (the "New Plan") and replace the Previous Plan. Except to the extent that the rights and entitlements of an optionee would be impaired, options previously governed by the Previous Plan will be governed by the New Plan. The New Plan accommodates the rules and policies of both the TSX-V and the Toronto Stock Exchange, depending upon which stock exchange the shares of the Company are listed for trading at the relevant time. The New Plan will be a rolling 10% plan whereby the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

The Company determines the fair value of the options granted during the year using the Black-Scholes option pricing model, recognizing forfeitures as they occur, using the following weighted average assumptions:

	2010	**2009**
Risk-free interest rate	2.0%	2.4%
Expected life	3 years	3 years
Expected volatility	95%	79%
Expected dividend yield	Nil	Nil

5. SHARE CAPITAL (continued)

(c) Stock options (continued)

A summary of share option activity during the nine month period ended September 30, 2010 is as follows:

	Options granted	**Weighted average exercise price**
Balance, December 31, 2010	1,100,000	$0.21
Options exercised	(250,000)	$0.22
Options cancelled	(50,000)	$0.20
Options granted	960,000	$0.42
Balance, September 30, 2010	1,760,000	$0.32

The following summarizes information on the number of stock options outstanding as at September 30, 2010:

					Vested and exercisable	
Grant date	**Expiry date**	**Number outstanding**	**Weighted average exercise price**	**Weighted Average remaining contractual life (in years)**	**Number**	**Weighted average exercise price**
Dec 12, 2007	Dec 12, 2012	650,000	$0.20	2.20	650,000	$0.20
Sept 24, 2009	Sept 24, 2014	150,000	$0.25	3.99	150,000	$0.25
Apr 01, 2010	Apr 01, 2015	50,000	$0.39	4.50	50,000	$0.39
May 4, 2010	May 04, 2015	160,000	$0.43	4.59	160,000	$0.43
Sep 22, 2010	Sep 22, 2015	750,000	$0.42	4.98	710,000	$0.42
Total		1,760,000	$0.32	2.87	1,720,000	$0.31

(d) Warrants

A summary of share warrant activity during the nine month period ended September 30, 2010 is as follows:

	Number of shares	Weighted average exercise price
Outstanding – December 31, 2009	-	-
Issued pursuant to private placement in Q1-2010	2,000,000	$0.33
Exercised	(87,500)	$0.33
Issued pursuant to private placement in Q2-2010	1,854,000	$0.55
Issued as finder's fee	235,060	$0.45
Outstanding – September 30, 2010	4,001,560	$0.44

5. SHARE CAPITAL (continued)

(d) Warrants

The following summarizes information on the number of warrants outstanding as at September 30, 2010:

Issue date	Expiry date	Number outstanding	Weighted average exercise price	Weighted Average remaining contractual life (in years)
Jan 28, 2010	Jan 28, 2011	1,912,500	$0.33	0.33
May 21, 2010	Nov 21, 2011	1,854,000	$0.40	1.14
May 21, 2010	Nov 21, 2011	235,060	$0.42	1.14
Total		4,001,560	$0.32	0.75

6. CONTRIBUTED SURPLUS

Balance, December 31, 2009	$322,808
Share-based compensation – Q1 -2010	8,160
Share-based compensation – Q2 -2010	11,114
Share-based compensation – Q3 -2010	362,225
Transfer to share capital – Q3-2010	(79,736)
Balance, September 30, 2010	$624,571

7. RELATED PARTY TRANSACTIONS

During the three and nine month periods ended September 30, 2010, the Company paid or accrued $6,166 and $37,521 respectively (2009 – $3,482 and $10,864 respectively) to a publicly listed company with a common Chief Executive Officer, for office space rent and reimbursement of certain office costs.

During the three and nine month periods ended September 30, 2010, the Company paid $24,000 and $72,000 respectively (2009 - $nil) in consulting fees to private companies controlled individually by two Officers of the Company.

8. COMPARATIVE FIGURES

The comparative amounts have been reclassified where necessary to conform to the presentation used in the current period.

9. SUBSEQUENT EVENTS

On November 23, 2010, the Company granted to a consultant stock options to purchase up to 100,000 common shares of the Company at a price of $0.90 per common share for a period of 5 years.

The Company issued 388,375 common shares from the exercise of warrants and received $138,269 in cash.