Bridgeport Ventures Inc.

(An Exploration Stage Enterprise)

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the Years Ended April 30, 2010 and 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Bridgeport Ventures Inc. (An Exploration Stage Enterprise). were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note 2 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are not officers of the Company. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee also reviews the Annual Report to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Hugh Snyder
Chairman and Chief Executive Officer

/s/ Carmelo Marrelli
Chief Financial Officer

Toronto, Canada
July 29, 2010

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
BRIDGEPORT VENTURES INC.
(An Exploration Stage Enterprise)

We have audited the consolidated balance sheets of Bridgeport Ventures Inc. (the "Company") as at April 30, 2010 and 2009, and the related consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Bridgeport Ventures Inc. as at April 30, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
July 7, 2010

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Bridgeport Ventures Inc.

(An Exploration Stage Enterprise)

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

As at April 30,	2010	2009
Assets		
Current assets		
Cash and cash equivalents	**$ 11,137,382**	$ 103,784
Amounts receivable and prepaids	**130,342**	9,405
	11,267,724	113,189
Interest in exploration properties and deferred exploration expenditures (Note 6)	**3,840,460**	165,932
Equipment (Note 7)	**26,007**	-
	$ 15,134,191	$ 279,121
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	**$ 325,079**	$ 29,926
Future income tax liability (Note 11)	**424,189**	15,200
	749,268	45,126
Shareholders' Equity		
Capital stock (Note 8)	**11,798,967**	367,100
Warrants (Note 10)	**3,679,500**	-
Contributed surplus	**1,017,759**	-
Deficit	**(2,111,303)**	(133,105)
	14,384,923	233,995
	$ 15,134,191	$ 279,121

Contingencies (Notes 6 and 15)
Subsequent events (Note 16)

Approved on behalf of the board:

signed " Hugh Snyder "
Director

signed "John McBride"
Director

See accompanying notes to the consolidated financial statements.

Bridgeport Ventures Inc.
(An Exploration Stage Enterprise)
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

For the year ended April 30,	2010	2009
Expenses		
Stock-based compensation (Note 9)	**$ 1,017,759**	$ -
Professional fees (Note 12)	**309,989**	12,238
Reporting issuer costs	**216,004**	
Management fees (Note 12)	**94,500**	-
Business development	**153,415**	-
General and administrative	**162,037**	3,601
Foreign exchange loss	**60,854**	-
Amortization	**991**	-
Loss before the under-noted	**2,015,549**	15,839
Write-off of exploration property (Note 6)	**-**	161,023
Interest income	**(22,151)**	(4,410)
Net loss before taxes	**1,993,398**	172,452
Future income tax (recovery) (Note 11)	**(15,200)**	(48,600)
Net loss and comprehensive loss	**$ 1,978,198**	$ 123,852
Net loss per share - basic and diluted	**$ 0.12**	$ 0.02
Weighted average number of shares outstanding - basic and diluted	**17,111,690**	7,895,000

See accompanying notes to the consolidated financial statements.

Bridgeport Ventures Inc.
(An Exploration Stage Enterprise)
Consolidated Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock	Warrants	Contributed Surplus	Deficit	Total
Balance, April 30, 2008	**367,100**	**-**	**-**	**(9,253)**	**357,847**
Net loss for the year	-	-	-	(123,852)	(123,852)
Balance, April 30, 2009	**367,100**	**-**	**-**	**(133,105)**	**233,995**
Issued for exploration property interest					
(Note 6(a))	19,500	-	-	-	19,500
Initial public offering, net of costs (Note 8(i))	634,955	366,812	-	-	1,001,767
Private placement, net of costs (Note 8(ii))	8,722,037	3,314,563	-	-	12,036,600
Acquisition of Rio Condor					
Resources S.A. (Note 5)	2,040,000	-	-	-	2,040,000
Exercise of warrants	13,500	-	-	-	13,500
Fair value of exercise of warrants	1,875	(1,875)	-	-	-
Fair value of stock options granted (Note 9)					
- Officers and directors	-	-	495,205	-	495,205
- Employee	-	-	20,493	-	20,493
- Consultants	-	-	502,061	-	502,061
Net loss for the year	-	-	-	(1,978,198)	(1,978,198)
Balance, April 30, 2010	**$ 11,798,967**	**$ 3,679,500**	**$ 1,017,759**	**$ (2,111,303)**	**$ 14,384,923**

See accompanying notes to the consolidated financial statements.

Bridgeport Ventures Inc.
(An Exploration Stage Enterprise)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the year ended April 30,	2010	2009
(Used in) provided by:		
Operations activities		
Net loss for the year	**$ (1,978,198)**	$ (123,852)
Items not affecting cash:		
Stock-based compensation (Note 9)	**1,017,759**	-
Amortization	**991**	-
Write-off of exploration property (Note 6)		161,023
Future income tax recovery	**(15,200)**	(48,600)
Changes in non-cash working capital:		
Amounts receivable and prepaids	**(120,937)**	(4,114)
Accounts payable and accrued liabilities	**162,392**	20,954
	(933,193)	5,411
Financing activities		
Issue of securities	**13,803,500**	-
Share issue costs	**(751,633)**	-
	13,051,867	-
Investing activities		
Cash acquired upon acquisition of Rio Condor Resources S.A. (Note 5)	**7,207**	-
Costs of acquisition of Rio Condor S.A. Resources (Note 5)	**(32,632)**	-
Expenditures on exploration properties	**(1,032,653)**	(191,955)
Additions to equipment	**(26,998)**	-
	(1,085,076)	(191,955)
Net change in cash and cash equivalents	**11,033,598**	(186,544)
Cash and cash equivalents, beginning of the year	**103,784**	290,328
Cash and cash equivalents, end of the year	**11,137,382**	103,784
Cash and cash equivalents consist of:		
Cash	**981,301**	103,784
Cash equivalents	**10,156,081**	-
	11,137,382	103,784

Supplemental disclosure of cash flow information (Note 13)

See accompanying notes to the consolidated financial statements.

1. Nature of operations

Bridgeport Ventures Inc. (the “Company” or "Bridgeport") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated May 10, 2007. The Company, which is in the development stage as defined by CICA Handbook Accounting Guideline 11, is engaged in the acquisition, exploration and development of properties for the mining of precious and base metals. Bridgeport has operations in Latin America and Canada. The Company is in the process of exploring its exploration properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The recovery of the amounts shown for the mineral properties and the related deferred expenditures is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the exploration, and upon future profitable production.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Some of the Company's mineral property interests are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty. The recoverability of the carrying value of exploration properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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 with regulatory requirements.

As at April 30, 2010, the Company had cash and cash equivalents of $11,137,382 and working capital of $10,942,645. Management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due.

2. Basis of presentation and accounting policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year except where disclosed below. Outlined below are those policies considered particularly significant.

2. Basis of presentation and accounting policies (continued)

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary Rio Condor Resources S.A. All significant intercompany balances and transactions have been eliminated on consolidation (Note 5).

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with selected financial institutions, including high interest savings accounts and certificates of deposit with maturity dates of three months or less, and cashable guaranteed instrument certificates.

Interest in Exploration Properties and Deferred Exploration Expenditures

Interest in exploration properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time they are depleted on a unit-of production method based on proven and probable reserves. Other general exploration expenses are charged to operations as incurred. The cost of exploration properties abandoned or sold and their related deferred exploration costs are charged to operations in the year of abandonment or sale.

The Company reviews its exploration properties to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The Company reviews capitalized costs relating to its property interests on a periodic basis and recognizes an impairment in value based upon a review of exploration results, whether the Company has significant exploration plans in the immediate future and upon management’s assessment of the future probability of profitable revenues from the property or from the sale of the property. Management’s assessment of the property’s estimated current fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review. An impairment loss is recognized when the carrying amount of the exploration properties is not recoverable and exceeds its fair value. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for and amount of any write-down.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value is reduced by option proceeds received until such time as the property cost and deferred expenditures are reduced to nominal amounts. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Asset Retirement Obligations

The fair values of asset retirement obligations are recorded as liabilities on a discounted basis when they are incurred. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities will be accreted for the change in their present value and the initial capitalized costs will be depleted and amortized over the useful lives of the related assets. There were no asset retirement obligations as at April 30, 2010 and 2009.

2. Basis of presentation and accounting policies (continued)

Financial Instruments

Financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net loss for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet or until impairment is assessed as other than temporary. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net loss for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

Flow-Through Financing

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to the qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences. When flow-through expenditures are renounced, the Company records the tax effect as a reduction to share capital and an increase to future income tax liabilities. To the extent that the Company has future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, a future income tax recovery is recorded in the statement of operations. The Company has indemnified the subscribers for any tax related amounts that became payable by the subscriber as a result of the Company not meeting its expenditure commitments.

Loss Per Share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

As at April 30, 2010, all options and warrants were excluded from the computation of the diluted loss per share, because the effect would be anti-dilutive. See Notes 9 and 10 for potentially dilutive securities.

2. Basis of presentation and accounting policies (continued)

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the enacted or substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions affect the carrying values of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations. Other significant estimates made by the Company include factors affecting the valuation of future tax assets and liabilities, stock-based compensation and warrants. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

New Accounting Policies

Effective May 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”):

a) Goodwill and Intangible Assets

Effective May 1, 2009, the Company adopted CICA Section 3064 “Goodwill and Intangible Assets”, which replaced CICA Handbook sections 3062, “Goodwill and Other Intangible Assets” and 3450, “Research and Development Costs”, as well as EIC-27, “Revenues and Expenditures During the Pre-operating Period”, and part of Accounting Guideline 11, “Enterprises in the development stage”. Under previous Canadian standards, a greater number of items were recognized as assets than are recognized under International Financial Reporting Standards (“IFRS”). The provisions relating to the definition and initial recognition of intangible assets reduce the differences with IFRS in the accounting for intangible assets. The objectives of CICA 3064 are: 1) to reinforce the principle-based approach to the recognition of assets; 2) to establish the criteria for asset recognition and; 3) to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the recognition criteria is eliminated. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The portions in the new standard relating to goodwill remain unchanged.

The adoption of this standard had no impact on the Company’s presentation of its financial position or results of operations for the year ended April 30, 2010.

2. Basis of presentation and accounting policies (continued)

New Accounting Policies (continued)

b) Foreign Exchange

The functional currency of the Company is the Canadian dollar. The Company's foreign operations are classified as integrated for foreign currency translation purposes. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the balance sheet date. Non-monetary items are translated at historical rates. Revenues and expenses are translated at the average exchange rate which is similar to the rate incurred during the period. Exchange gains and losses arising on the translation of monetary assets and liabilities are included in the determination of income for the current period.

c) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on the declining balance basis on an annum, based on the estimated useful life, as follows:

Computer equipment	-	30%
Office equipment	-	20%
Structures	-	20%
Machinery and equipment	-	30%

d) Stock-based Compensation

The Company records all stock-based compensation and other stock-based payments using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable, and are charged to operations over the vesting period with a corresponding credit to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

e) Fair Value Hierarchy and Liquidity Risk Disclosure

In June 2009, the CICA issued an amendment to Handbook Section 3862 to provide improvements to fair value and liquidity risk disclosures. The amendment applied to the Company's fiscal year ended April 30, 2010. This adoption resulted in additional disclosures as provided below.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

	Level One	Level Two	Level Three
Cash and cash equivalents	$ 11,137,382	$ -	$ -

2. Basis of presentation and accounting policies (continued)

Future Accounting Changes

a) International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to have prepared, in time for its first quarter fiscal 2012 filing, comparative financial statements in accordance with IFRS for the three months ended July 31, 2010. While the Company has begun assessing the impact of the adoption of IFRS on its financial statements, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

b) Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581 and establishes standards for the accounting for a business combination. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

3. Capital management

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary 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 team to sustain the future development of the business. As at April 30, 2010, total shareholders' equity (managed capital) was $14,384,923 (2009 - $233,995).

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and endeavour to raise additional amounts as needed.

3. Capital management (continued)

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
(ii) minimizing discretionary disbursements; and
(iii) reducing or eliminating exploration expenditures that are of limited strategic value.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the years ended April 30, 2010 and 2009.

The Company is not subject to any capital requirements imposed by a regulator or lending institution. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at April 30, 2010.

4. Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. Cash and cash equivalents consist of cash, high interest savings accounts and certificates of deposit at select Canadian financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of goods and services tax due from the Government of Canada, deposits with service providers, amounts owing from the Chilean government and amounts owing from various landowners in Chile. Amounts receivable are in good standing as of April 30, 2010. Management believes that the credit risk concentration with respect to the financial instruments included in cash and cash equivalents and amounts receivable is remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2010, the Company had a cash and cash equivalents balance of $11,137,382 (2009 - $103,784) to settle current liabilities of $325,079 (2009 - $29,926). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure maintenance of liquidity.

4. Financial risk factors (continued)

Market Risk

a) Interest Rate Risk

The Company has cash and cash equivalents and no interest-bearing debt. The Company's current policy is to invest excess cash in high interest savings accounts and investment-grade certificates of deposit issued by its Canadian financial institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its Canadian financial institutions. Currently, the Company does not hedge against interest rate risk.

b) Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar and purchases are transacted in Canadian and US dollars and Chilean pesos. The Company funds certain operations, exploration and administrative expenses in Chile on a cash call basis using US dollar currency converted from select bank accounts held in Canada. The Company maintains US dollar bank accounts in Canada and Chile, and Chilean peso bank accounts in Chile. The Company is subject to gains and losses from fluctuations in the US dollar and Chilean peso against the Canadian dollar.

c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. As the Company's mineral properties are in the exploration stage, the Company does not hedge against commodity price risk.

Sensitivity Analysis

The Company has designated its cash and cash equivalents as held-for-trading, measured at fair value. Financial instruments included in amounts receivable are classified as receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) Cash equivalents are subject to floating interest rates. As at April 30, 2010, if interest rates had decreased/increased by 1% from the date of purchase with all other variables held constant, the loss for the year ended April 30, 2010 would have been approximately $101,000 higher/lower, as a result of lower/higher interest income from cash equivalents.

(ii) The Company is exposed to foreign currency risk on fluctuations of financial instruments that are denominated in US dollars and the Chilean peso related to cash balances, amounts receivable and accounts payable and accrued liabilities. As at April 30, 2010, the Company held cash and accounts payable denominated in US dollars of US$400,543 (Cdn$406,872) and US$82,208 (Cdn$83,506), respectively. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect the reported net loss by approximately $28,000.

5. Acquisition of Rio Condor Resources S.A.

On December 11, 2009, Bridgeport acquired all of the issued and outstanding shares (the "Shares") of Rio Condor Resources S.A. ("Rio Condor") other than one common share of Rio Condor that is held by a local individual, as required under Chilean law, pursuant to a share purchase agreement dated November 10, 2009. Rio Condor and Bridgeport were arm's length parties at the time of the acquisition. As consideration for the Shares, Bridgeport paid $2,100 (US$2,000) cash and issued 1,200,000 common shares (valued at $2,040,000) to the former shareholder of Rio Condor. On November 30, 2009 the Company advanced US$362,500 ($400,000) to Rio Condor to enable Rio Condor to meet its property obligations. Bridgeport also paid legal fees of $30,532 in connection with the acquisition. The Bridgeport shares were valued at $1.70 per share, which is the fair market value of the Bridgeport shares, on the date the transaction closed (December 11, 2009).

Rio Condor was a Chilean private company which owned an option to purchase an undivided interest in the Rosario-Tamara properties. Rio Condor had not commenced exploration activities on its properties at the time of acquisition and no mineral resources or reserves have been identified.

The allocation of the purchase of Rio Condor's assets and liabilities is as follows:

Assets acquired		
Cash and cash equivalents	$	7,207
Loan receivable		127,144
Exploration property interest (Note 6)		2,895,231
Loan payable and accounts payable and accrued liabilities		(532,761)
Future income tax liability		(424,189)
	$	2,072,632
Consideration paid		
Bridgeport common shares	$	2,040,000
Cash		2,100
Acquisition costs (legal costs)		30,532
	$	2,072,632

This acquisition has been accounted for as an acquisition of net assets, rather than a business combination, as the net assets acquired did not represent a separate business operation. The excess of the purchase price over the net book value of the net assets acquired has been allocated to the interest in exploration property and includes the effect of recording a future income tax liability on the temporary differences arising on the transaction.

6. Interest in exploration properties and deferred exploration expenditure

April 30, 2010	Opening Balance	Acquisition	Exploration	Write-off	Ending Balance
McCart Township (a)	$ 165,932	$ 19,500	$ 78,428	$ -	$ 263,860
Rosario Properties (b)	-	3,047,933	528,667	-	3,576,600
	$ 165,932	$ 3,067,433	$ 607,095	$ -	$ 3,840,460

6. Interest in exploration properties and deferred exploration expenditures (continued)

April 30, 2009	Opening Balance	Acquisition	Exploration	Write-off	Ending Balance
McCart Township (a)	$ -	$ 5,000	$ 160,932	$ -	$ 165,932
Gold Rock Property (c)	135,000	-	26,023	(161,023)	-
	$ 135,000	$ 5,000	$ 186,955	$ (161,023)	$ 165,932

a) McCart Township Project

On November 11, 2008, the Company entered into an agreement to acquire a 100% interest in two mining claims (the "Claims") located near McCart Township, Ontario. The Claims are subject to a 2% net smelter royalty ("NSR"). To acquire this interest, the Company is required to:

- Make a cash payment of $5,000 (paid);
- Issue 150,000 common shares of the Company (issued and valued at $19,500).

Effective July 29, 2009, the Company issued an aggregate of 150,000 common shares in partial satisfaction of its obligations to acquire 100% interest in the McCart Township Claims. The value of the 150,000 common shares was calculated by applying the unit price of $0.13 pursuant to the initial public offering as disclosed in Note 8(i).

At anytime after the commencement of commercial production, the Company has the right to purchase 1% of the 2% NSR for $1,000,000.

During the period ended April 30, 2010, the Company acquired three additional mining claims located in the same Township subject to a 1% NSR (50% of which the Company has the right to purchase for $1,000,000), for cash consideration of $nil.

b) Rosario Properties

Rosario-Tamara, Chile

Bridgeport has an option to pay US$10.4 million over four years to acquire a 100% interest in the Rosario and Tamara properties. The Rosario property is subject to a 2% net smelter royalty which may be purchased for US$2 million. Bridgeport will also pay a total commission or management fee of US$500,000 over the same four year period. One of the vendors is entitled to excavate 6,000 tons per month from the property until the last payment is made. Cash payments and management fees in the aggregate of US$10.9 million are due as follows:

	Management fee (US$)	Cash payments (US$)
Date of signing the agreement	$ 22,500 [(2)]	$ 265,000 [(1)]
November 5, 2010	42,500	784,999
November 5, 2011	69,000	1,350,001
November 5, 2012	91,000	1,770,000
November 5, 2013	275,000	6,230,000
	$ 500,000	**$ 10,400,000**

[(1)] ($282,365 Cdn)(Paid) [(2)] ($23,700 Cdn)(Paid)

6. Interest in exploration properties and deferred exploration expenditures (continued)

b) Rosario Properties (continued)

Soesmi, Chile
Pursuant to an agreement entered into on December 3, 2009, Rio Condor will pay US$1,000,000 over three years to acquire a 100% interest in the SOESMI mining concessions, which are contiguous to the concessions comprising the Rosario Property. The SOESMI claim group is subject to a 2% NSR that may be purchased for US$1,000,000. US$75,000 ($79,020) was paid on closing. In addition, in accordance with the payment terms, a further US$50,000 ($52,590) was paid in June 9, 2010 (Note 16). Cash payments in the aggregate of US$1,000,000 are due as follows:

		US$	
Date of signing the agreement	$	75,000	(paid)
June 3, 2010		50,000	(paid Note 16)
December 3, 2010		50,000	
June 3, 2011		100,000	
December 3, 2011		150,000	
December 3, 2012		575,000	
	$	1,000,000	

Simonetta, Chile
Subsequent to Bridgeport's acquisition of Rio Condor, pursuant to an agreement entered into on January 23, 2010, Rio Condor will pay US$1,000,000 over four years to acquire a 100% interest in the Simonetta mining concessions, which are contiguous to the concessions comprising the Rosario Property. This acquisition is royalty free. US$30,000 ($30,782) was paid on closing. Cash payments in the aggregate of US$1,000,000 are due as follows:

		US$	
Date of signing the agreement	$	30,000	(paid)
July 23, 2010		10,000	
January 23, 2011		65,000	
January 23, 2012		150,000	
January 23, 2013		245,000	
January 23, 2014		500,000	
	$	1,000,000	

6. Interest in exploration properties and deferred exploration expenditures (continued)

c) Gold Rock Property Project

Pursuant to a December 18, 2007 option agreement and subsequent amendment, the Company entered into an agreement to acquire a 100% interest in six mining claims located near Dryden, Ontario. To acquire the first 50% interest, the Company was required to:

- Make a cash payment of $50,000(paid);
- Make a cash payment of $25,000 on or prior to the December 18, 2009;
- Issue 100,000 common shares of the Company or make a cash payment of $50,000 on or prior to December 18, 2009; and
- Complete of a minimum of $100,000 in exploration expenditures on or prior to December 18, 2008 (completed), and $300,000 of exploration expenditures on or prior to December 18, 2010.

To acquire the second 50% interest, the Company was required to:

- Make a cash payment of $50,000 on or prior to December 18, 2011;
- Issue 600,000 common shares of the Company or make a cash payment of $400,000 on or prior to December 18, 2011; and
- Complete a minimum of $500,000 in exploration expenditures on or prior to December 18, 2012.

As a result of poor exploration results, the Company entered into a termination agreement regarding this property and consequently, related capitalized costs were written off during the year ended April 30, 2009 and is no longer engaged in additional exploration operations on this property.

7. Equipment

	Cost	Accumulated Amortization	Net Carrying Amount April 30, 2010
Computer equipment	$ 7,852	$ 450	$ 7,402
Office equipment	336	8	328
Structures	13,754	344	13,410
Machinery and equipment	5,056	189	4,867
Total	**$ 26,998**	**$ 991**	**$ 26,007**

8. Share capital

Authorized

Unlimited common shares

Issued

	Number of Common Shares	Amount
Balance, April 30, 2008 and 2009	**7,895,000**	**$ 367,100**
Issued for exploration property interest (Note 6(a))	150,000	19,500
Initial public offering, net of costs (i)	6,180,000	634,955
Private placement, net of costs (ii)	12,590,000	8,722,037
Acquisition of Rio Condor Resources S.A. (Note 5)	1,200,000	2,040,000
Exercise of warrants	21,000	13,500
Fair value of exercise of warrants	-	1,875
Balance, April 30, 2010	**28,036,000**	**$ 11,798,967**

(i) The Company completed its initial public offering on October 7, 2009 pursuant to which it issued an aggregate of 6,000,000 units at a price of $0.20 per unit to raise aggregate gross proceeds of $1,200,000 as per the final prospectus dated September 25, 2009. Each unit consists of one common share of Bridgeport and one warrant. Each warrant entitles the holder thereof to acquire one additional common share of Bridgeport at an exercise price of $0.50 until October 7, 2014. The agent in the offering received an aggregate of 420,000 compensation warrants, each such compensation warrant entitling the agent to acquire one unit with the same terms as those issued in the initial public offering at an exercise price of $0.20 per unit until April 7, 2011. The agent elected to receive an aggregate of 180,000 units in satisfaction of $36,000 of commission to which it was entitled in connection with the offering, with the balance of the commission in the amount of $48,000 paid in cash. The aggregate proceeds raised of $1,236,000 were offset by the Black-Scholes value of the warrants issued of $432,600 and share issuance costs of $168,445.

8. Share capital (continued)

(ii) On December 1, 2009, Bridgeport completed its non-brokered private placement financing, pursuant to which it issued an aggregate of 12,590,000 units at a price of $1.00 per unit to raise aggregate gross proceeds of $12,590,000. Each unit consists of one common share of Bridgeport and one warrant. Each warrant entitles the holder to acquire one additional common share of Bridgeport until December 1, 2012 at an exercise price of $1.50 per share. The aggregate proceeds raised of $12,590,000 were offset by the Black-Scholes value of the warrants issued of $3,399,300 and share issuance costs of $468,663.

In connection with the private placement, Bridgeport paid fees in the aggregate amount of $503,400 to certain qualified registrants assisting in the offering, and issued an aggregate of 521,200 compensation warrants to such persons. Each compensation warrant entitles the holder to acquire one common share of Bridgeport at an exercise price of $1.00 per share for a period of one year from the date of issuance.

The Chairman and Chief Executive Officer of the Company subscribed for 1 million units at a price of $1.00 per unit. A director of the Company subscribed for 150,000 units at a price of $1.00 per unit.

9. Stock options

The shareholders of the Company approved the stock option plan on December 18, 2007. Up to such number of common shares as is equal to 10% of the aggregate number of common shares issued and outstanding from time to time may be reserved for issue upon the exercise of options granted pursuant to the stock option plan.

The purpose of the stock option plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Stock options may be granted under the stock option plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the common shares may be listed or may trade from time to time. The total number of common shares which may be reserved for issuance to any one individual under the stock option plan within any one year period shall not exceed 5% of the outstanding issue. The maximum number of common shares which may be reserved for issuance to insiders under the stock option plan, any other employer stock option plans or options for services, shall be 10% of the common shares issued and outstanding at the time of the grant (on a non-diluted basis).

The maximum number of common shares which may be issued to insiders under the stock option plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 10% of the outstanding issue. The maximum number of common shares which may be issued to any one insider and his or her associates under the stock option plan, together with any other previously established or proposed share compensation arrangements, within a one year period shall be 5% of the common shares outstanding at the time of the grant (on a non-diluted basis).

9. Stock options (continued)

The maximum number of stock options which may be granted to any one consultant under the stock option plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the common shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to any persons performing investor relations services under the stock option plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the common shares issued and outstanding at the time of the grant (on a non-diluted basis).

The exercise price of options issued may not be less than the fair market value of the common shares at the time the option is granted, less any allowable discounts.

The following table reflects the continuity of stock options for the years ended April 30, 2010 and 2009:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, April 30, 2008 and 2009	-	-
Granted [(1)(2)(3)(4)(5)(6)(7)(8)(9)]	2,400,000	1.21
Balance, April 30, 2010	2,400,000	1.21

[(1)] On August 20, 2009, the Company granted 700,000 stock options to officers and directors of the Company exercisable for one common share each at a price of $0.35 per share for a five-year period. These stock options vested immediately. The grant date fair value of $56,000 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 100%, risk-free rate of return 2.6% and an expected maturity of 5 years. For the year ended April 30, 2010 $56,000 was expensed to stock-based compensation.

[(2)] On November 12, 2009, the Company granted 200,000 stock options to a director of the Company pursuant to the Company's stock option plan, exercisable for one common share each at a price of $1.20 per share for a five-year period expiring on November 12, 2014. The options vest one-third on the date of grant and one-third each on the first and second anniversaries of the date of grant. The grant date fair value of $172,000 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 93%, risk-free rate of return 2.7% and an expected maturity of 5 years. For the year ended April 30, 2010, $97,153 was expensed to stock-based compensation.

[(3)] On November 17, 2009, the Company granted 250,000 stock options to a consultant of the Company pursuant to the Company's stock option plan, exercisable for one common share each at a price of $1.20 per share for a period of five years expiring on November 17, 2014. The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant. The grant date fair value value of $205,000 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 93%, risk-free rate of return 2.6% and an expected maturity of 5 years. For the year ended April 30, 2010, $114,388 was expensed to stock-based compensation.

9. Stock options (continued)

(4) On December 8, 2009, the Company granted 300,000 options to a director of the Company pursuant to the Company's stock option plan, exercisable for one common share each at a price of $1.40 per share for a period of five years expiring on December 7, 2014. The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant. The grant date fair value of $300,000 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 92%, risk-free rate of return 2.5% and an expected maturity of 5 years. For the year ended April 30, 2010, $158,767 was expensed to stock-based compensation.

(5) On December 8, 2009, the Company granted 525,000 options to consultants of the Company pursuant to the Company's stock option plan, exercisable for one common share each at a price of $1.40 per share for a period of five years expiring on December 7, 2014. The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant. The grant date fair value of $525,000 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 92%, risk-free rate of return 2.5% and an expected maturity of 5 years. For the year ended April 30, 2010, $275,685 was expensed to stock-based compensation.

(6) On January 11, 2010, the Company granted 250,000 stock options to a director pursuant to the Company's stock option plan, exercisable for one common share each at a price of $2.15 per share for a period of five years expiring on January 11, 2015. The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant. The grant date fair value of $379,750 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 90%, risk-free rate of return 2.7% and an expected maturity of 5 years. For the year ended April 30, 2010, $183,285 was expensed to stock-based compensation.

(7) On January 25, 2010, the Company granted 100,000 stock options to a consultant pursuant to the Company's stock option plan, exercisable for one common share each at a price of $2.40 per share for a period of five years expiring on January 25, 2015. The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant. The grant date fair value of $167,900 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 89%, risk-free rate of return 2.5% and an expected maturity of 5 years. For the year ended April 30, 2010, $77,817 was expensed to stock-based compensation.

(8) On February 1, 2010, the Company granted 25,000 stock options to an employee pursuant to the Company's stock option plan, exercisable for one common share each at a price of $2.40 per share for a period of five years expiring on February 1, 2015. The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant. The grant date fair value of $45,150 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 89%, risk-free rate of return 2.47% and an expected maturity of 5 years. For the year ended April 30, 2010, $20,493 was expensed to stock-based compensation.

9. Stock options (continued)

(9) On March 10, 2010, the Company granted 50,000 stock options to a consultant pursuant to the Company's stock option plan, exercisable for one common share each at a price of $2.45 per share for a period of five years expiring on March 10, 2015. The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant. The grant date fair value of $84,750 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 87%, risk-free rate of return 2.81% and an expected maturity of 5 years. For the year ended April 30, 2010, $34,171 was expensed to stock-based compensation.

The weighted average fair value of the total options granted in fiscal 2010 on the grant date was $0.81.

As at April 30, 2010, the Company had the following stock options outstanding and exercisable:

Number of stock options	Exercisable stock options	Exercise price ($)	Weighted average remaining contractual life (years)	Expiry date
700,000	700,000	0.35	4.31	August 20, 2014
200,000	66,667	1.20	4.54	November 12, 2014
250,000	83,333	1.20	4.55	November 17, 2014
300,000	100,000	1.40	4.61	December 7, 2014
525,000	175,000	1.40	4.62	December 7, 2014
250,000	83,333	2.15	4.70	January 11, 2015
100,000	33,333	2.40	4.74	January 25, 2015
25,000	8,333	2.40	4.76	February 1, 2015
50,000	16,667	2.45	4.86	March 10, 2015
2,400,000	1,266,666	1.21	4.53	

The weighted average exercise price of exercisable stock options as at April 30, 2010 is $0.89.

10. Warrants

The following table reflects the continuity of warrants for the years ended April 30, 2010 and 2009:

	Number of Warrants	Grant date fair value ($)
Balance, April 30, 2008 and 2009	-	-
Granted (i)(ii)(iii)(iv)(v)	19,711,200	3,681,375
Exercised	(21,000)	(1,875)
Balance, April 30, 2010	19,690,200	3,679,500

10. Warrants (continued)

(i) The grant date fair value of $420,000 was assigned to the 6,000,000 warrants issued as part of the initial public offering unit described in Note 8(i) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 100%, risk-free rate of return 2.6% and an expected maturity of 5 years. Issue costs associated with the warrant issue amounted to $101,247.

(ii) The grant date fair value of $12,600 was assigned to the 180,000 warrants issued to the agent described in Note 8(i) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 100%, risk-free rate of return 2.6% and an expected maturity of 5 years. Issue costs associated with the warrant issue amounted to $2,341.

(iii) The grant date fair value of $37,800 was assigned to the 420,000 compensation warrants described in Note 8(i) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 100%, risk-free rate of return 1.28% and an expected maturity of 1.5 years.

(iv) The grant date fair value of $3,399,300 was assigned to 12,590,000 warrants described in Note 8(ii) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 83%, risk-free rate of return 1.5% and an expected maturity of 3 years. Issue costs associated with the warrant issue amounted to $173,341.

(v) The grant date fair value of $88,604 was assigned to 521,200 warrants described in Note 8(ii) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 83%, risk-free rate of return 1.13% and an expected maturity of 1 year.

As at April 30, 2010, the Company had the following warrants outstanding:

Number of Warrants	Exercise Price ($)	Grant date fair Value ($)	Expiry Date
6,165,000	0.50	$ 328,157	October 7, 2014
420,000 [1]	0.20	37,800	April 7, 2011
12,590,000	1.50	3,225,959	December 1, 2012
515,200	1.00	87,584	December 1, 2010
19,690,200	1.15	$ 3,679,500	

(1) Each exercisable to acquire one unit, each unit consisting of one common share and one common share purchase warrant exercisable to acquire one additional common share at an exercise price of $0.50 until October 7, 2014.

The weighted average fair value of total warrants granted in fiscal 2010 on the grant date was $0.19.

The weighted average remaining contractual life is 3.08 years.

11. Income taxes

a) Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of approximately 33% (2009 – 33.3%) were as follows:

	2010	2009
(Loss) before income taxes	**$ (1,993,398)**	$ (172,452)
Expected income tax benefit based on statutory rate	**(651,200)**	(57,500)
Change in expected future tax rate	**84,000**	8,900
Non deductible stock-based compensation	**332,500**	-
Other	**28,700**	-
Tax benefit not recognised	**378,700**	-
Share issue cost	**(187,900)**	-
Future income tax (recovery)	**$ (15,200)**	$ (48,600)

b) Future Tax Balances

The tax effects of temporary differences that give rise to future income tax assets and liabilities in Canada and Chile approximate the following:

	2010	2009
Future income tax assets (liabilities)		
Deferred exploration expenditures	**$ (446,289)**	$ (18,100)
Non-capital losses	**239,000**	1,200
Share issuance costs	**161,800**	1,700
Future income tax (liabilities)	**(45,489)**	(15,200)
Valuation allowance for future tax (i)	**(378,700)**	-
Net future tax (liability)	**$ (424,189)**	$ (15,200)

(i) The Company has provided a valuation allowance for future tax assets to the extent that it is not more likely than not that they will be realized.

11. Income taxes (continued)

c) Tax Loss Carry-Forwards

The Company has approximately $893,000 of non-capital losses in Canada and $95,000 of non-capital losses in Chile, which can be used to reduce taxable income in future years and expire in the following years:

		Canada		Chile
2028	$	2,000	$	-
2029		2,000		-
2030		889,000		-
Indefinite		-		95,000
Total	**$**	**893,000**	**$**	**95,000**

The Company also has approximately $278,000 of cumulative exploration and development expenditure pools in Canada and $1,080,000 of expenditure pools in Chile which may, in certain circumstances be used to reduce taxable income in future years.

12. Related party transactions

The Company had the following related party transactions during the year ended April 30, 2010 and 2009:

(a) During the year ended April 30, 2010 the Company paid consulting fees of $21,000 (2009 - $nil) to a company that is beneficially controlled by the former Chief Executive Officer of Bridgeport. The former Chief Executive Officer of Bridgeport is the president and director of the associated company. These costs are reflected in management fees in the consolidated statements of operations.

(b) For the year ended April 30, 2010, the Company paid/accrued $36,000 (2009 - $nil) to Marrelli Support Services Inc. ("MSSI") for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company. These costs are reflected in management fees in the consolidated statements of operations. Carmelo Marrelli is the president of MSSI. As at April 30, 2010, MSSI was owed $12,226 (April 30, 2009 - $nil) and this amount was included in accounts payable and accrued liabilities.

(c) During the year ended April 30, 2010 the Company paid management consulting fees of $37,500 (2009 - $nil) to H.R. Snyder Consultants for Hugh Snyder to act as Chairman and Chief Executive Officer of the Company. These costs are reflected in management fees in the consolidated statements of operations.

(d) During the year ended April 30, 2010, the Company paid geological consulting fees of $18,333 (2009 - $nil) to a director of the Company. This cost is reflected in professional fees in the consolidated statements of operations.

(e) During the year ended April 30, 2010, the Company paid geological consulting fees of $11,340 (2009 - $nil) to a company that is controlled by a director of Bridgeport. These costs are included in interests in exploration properties and deferred exploration expenditures for the Rosario properties on the consolidated balance sheet.

(f) During the year ended April 30, 2010, officers and directors of the Company were reimbursed for out of pocket expenses that occurred in the normal course of operations.

12. Related party transactions (continued)

The above transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties as disclosed above are unsecured, non-interest bearing and due on demand.

See also Note 8.

13. Supplemental information

For the year ended April 30,	2010	2009
Common shares issued pursuant to the McCart Township property agreement (Note 6(a))	**19,500**	-
Common shares issued pursuant to acquisition of Rio Condor Resources S.A. (Note 5)	**2,040,000**	-
Units issued in exchange for commission (Note 8(i))	**36,000**	-
Warrants issued as share issuance costs (Notes 8(i) and (ii))	**126,404**	-
Value of warrants exercised	**1,875**	-

As at April 30, 2010, cash and cash equivalents consisted of cash of $981,301 and cash equivalents of $10,156,081. Cash equivalents consist of high interest savings accounts and certificates of deposit at select Canadian financial institutions as at April 30, 2010.

14. Segmented information

April 30, 2010	Canada	Chile	Total
Cash and cash equivalents	$ 11,027,755	$ 109,627	$ 11,137,382
Amounts receivable and prepaids	96,681	33,661	130,342
	11,124,436	143,288	11,267,724
Interest in exploration property and deferred exploration expenditures	263,860	3,576,600	3,840,460
Equipment	5,156	20,851	26,007
	$ 11,393,452	$ 3,740,739	$ 15,134,191

April 30, 2009	Canada	Chile	Total
Cash and cash equivalents	$ 103,784	$ -	$ 103,784
Amounts receivable and prepaids	9,405	-	9,405
	113,189	-	113,189
Interest in exploration property and deferred exploration expenditures	165,932	-	165,932
	$ 279,121	$ -	$ 279,121

15. Contingencies

Environmental Contingencies

The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

16. Subsequent events

(a) On May 25, 2010, Bridgeport announced that it has entered into a letter agreement (the "Agreement") with China Opportunity Inc. ("COI") pursuant to which Bridgeport has granted to COI an option to acquire up to a 70% interest in the McCart Property (the "Option"). Under the terms of the Agreement, COI may earn an initial 50% interest in the McCart Property by:

(i) making an initial cash payment to Bridgeport in the amount of $20,000;
(ii) issuing an aggregate of 1,050,000 common shares to Bridgeport in tranches over a three year period; and
(iii) incurring an aggregate of $400,000 in exploration expenditures on the McCart Property in tranches over a three year period.

The Agreement provides that COI shall earn an additional 20% interest in the McCart Property (for a total 70% interest) in the event it completes a bankable feasibility study within three years of earning its 50% interest. Bridgeport will be the operator of the project.

(b) On June 8, 2010, 5,000 warrants were exercised for total proceeds of $2,500.

(c) Pursuant to a letter agreement dated December 3, 2009, the Company paid $52,590 (US$50,000) on the Soesmi property (see Note 6(b)).

(d) On July 5, 2010, the Company executed a letter of intent which provides that the Company will enter into an option agreement to acquire a 100% interest in the Trillador property through Rio Condor. The closing on the option agreement is to take place following a 30-day due diligence period. Under the terms of the proposed agreement with the property owners, the Company will be required to pay US$1.5 million over four years in order to acquire a 100% interest in the Trillador property, of which US$50,000 is due on closing. This acquisition is royalty free.

Cash payments in the aggregate of US$1.5 million are due as follows:

	US$
Date of closing	$ 50,000
12 months after closing	50,000
24 months after closing	60,000
36 months after closing	250,000
48 months after closing	1,090,000
	$ 1,500,000