

Report to Shareholders

Geomark Exploration Ltd. ("Geomark" or "the Company") is pleased to report its Geomark Carved Out Operations (Geomark Operations) operating and financial results for the three and six months ended June 30, 2010.

Geomark commenced operations as a junior exploration company on July 6, 2010 following the successful completion of a plan of arrangement (the "Arrangement") involving Comaplex Minerals Corp. (Comaplex), Agnico-Eagle Mines Limited (Agnico-Eagle) and Geomark.

For purposes of Geomark's continuing disclosure requirements, the Company has prepared the following financial statements and corresponding management's discussion and analysis relating to all operations that have been transferred to Geomark from Comaplex.

Geomark is a well-financed exploration company with experienced staff, proven management and immediate cash flow from its oil and gas and investment assets. As part of the Arrangement, Comaplex transferred to Geomark the Geomark Carved Out Operations consisting of all the assets and related liabilities other than those relating to the Meliadine properties and related assets. These assets included: 1) net cash of approximately \$26.5 million (which includes the \$12 million loan to Bonterra Energy Corp.); 2) the non-Meliadine mineral properties located in Ontario, the Northwest Territories and Nunavut; 3) all oil and gas properties located primarily in the Harmattan area of south-western Alberta; 4) investments which have a current combined value of approximately \$7.2 million; and 5) a contingent receivable from Perfora Investments S.a.r.l. (Perfora) of approximately \$13.5 million which Geomark has received as of August 21, 2010. Geomark's cash position is now approximately \$40,000,000 (including the loan from Bonterra).

Geomark issued a total of 52,039,760 common shares to the former Comaplex shareholders (excluding Agnico-Eagle and Perfora) as consideration for the Non-Meliadine Operations. The management team consists of George F. Fink as President and Chief Executive Officer, Mark J. Balog as Chief Operating Officer and Garth E. Schultz as Vice President, Finance and Chief Financial Officer, all of whom were previously officers of Meliadine. The Board of Directors of Geomark consists of Gary J. Drummond, George F. Fink, Carl R. Jonsson and F. William Woodward, all of whom were previously directors of Comaplex.

The Company's business strategy is to generate the majority of its prospects internally and conduct appropriate exploration programs to develop their economic potential. The Company is currently focused on the investigation and development of its mining assets located in Ontario, the Northwest Territories and Nunavut. Preparation and planning is currently underway for the start of an exploratory program on the Ontario assets which is expected to commence in Q4 2010.

Geomark's business strategy also includes the acquisition of additional mineral interests either through grassroots staking or negotiated transactions with other mining companies. The Company has begun its assessment of such properties and their potential opportunities.

The next few months will be busy and exciting as the focus will shift to exploration and away from the Comaplex mining development philosophy.



George F. Fink
President, CEO and Director

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) is dated August 26, 2010 and should be read in conjunction with the unaudited financial statements and accompanying notes of Geomark Exploration Ltd.'s ("Geomark" or "the Company") Geomark Carved Out Operations (Geomark Operations) as at and for the three and six months ended June 30, 2010 and the audited financial statements of Comaplex Minerals Corp. (Comaplex) as at and for the year ended December 31, 2009.

Basis of Presentation

Comaplex incorporated a 100 percent wholly-owned subsidiary, Geomark, which was capitalized on July 6, 2010 with the Non-Meliadine assets and obligations. In return Comaplex received 52,039,759 common shares of Geomark.

Subsequent to the carve out of the Non-Meliadine assets and obligations, Geomark was distributed to the shareholders of Comaplex, other than Agnico-Eagle Mines Limited (Agnico) and Perfora Investments S.a.r.l. (Perfora) on a one Geomark share for every Comaplex share.

The interim financial statements are prepared on a continuity of interest basis for the Geomark Operations transferred to Geomark from Comaplex on July 6, 2010.

Amounts applicable to the Geomark Operations for certain revenues, expenses, assets and liabilities can be derived directly from the accounting records of Comaplex, it has been necessary to allocate certain items in the manner described below.

Presentation of the Balance Sheets

For purposes of the Geomark Operations' balance sheets all assets and liabilities, except for future income taxes, have been derived directly from the accounting records of Comaplex. Future income taxes are prepared on a legal entity basis and as such it is not possible to specifically identify only those activities that relate to the Geomark Operations. Management has separated the future income tax assets and liabilities directly attributable to the Geomark Operations on a reasonable basis based on best estimates for the purposes of the financial statements.

Presentation of the Statement of Operations

The Mineral division and Oil & Gas division revenues, oil and gas production expenses, foreign exchange loss (gain), depletion, depreciation, and accretion, impairment of oil and gas assets and abandonment of mineral properties are specifically allocated to the Geomark Operations in Comaplex's accounting records, and as such, the amounts included in the financial statements have been derived directly from Comaplex's accounting records.

General and administrative and stock based compensation expenses have been derived directly from Comaplex's accounting records for the costs attributable to the Geomark Operations.

Future income taxes are prepared on a legal entity basis and as such it is not possible to specifically identify only those activities that relate to the Geomark Operations, as some corporate Comaplex activities are also included within the legal entity tax filings. Management has separated the future income tax assets and liabilities attributable to the Geomark Operations on a reasonable basis based on best estimates for the purposes of the financial statements.

Presentation of the Statements of Cash Flow

As discussed above, the cash balances of the Geomark Operations can be specifically identified and as such we have prepared the statements of cash flow to represent the annual change.

Forward-Looking Statements

Certain statements contained in this MD&A include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this MD&A includes, but is not limited to: expected cash provided by continuing operations; future capital expenditures, including the amount and nature thereof; oil and natural gas prices and demand; expansion and other development trends of the oil and gas industry; business strategy and outlook; expansion and growth of our business and operations; and maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive and are further discussed in the Comaplex’s Annual Information Form filed on SEDAR at www.sedar.com.

QUARTERLY COMPARISONS

	2010			2009		
	Q2	Q1	Q4	Q3	Q2	Q1
Financial (\$ 000s, except \$ per share)						
Revenue						
Mineral Division	73	70	72	59	77	39
Oil and Gas Division	676	568	549	367	425	557
Net Earnings (Loss)	(12)	(166)	(676)	(461)	(318)	(109)
Capital Expenditures and Acquisitions						
Mineral Division	-	-	-	-	-	-
Oil and Gas Division	-	157	170	112	184	164
Oil and Gas Operations						
Barrels of Oil Equivalent (BOE) per day ⁽¹⁾	148	161	139	139	150	177

	2008			
	Q4	Q3	Q2	Q1
Financial (\$ 000s, except \$ per share)				
Revenue				
Mineral Division	152	328	136	192
Oil and Gas Division	817	948	914	789
Net Earnings (Loss)	498	438	(18)	58
Capital Expenditures and Acquisitions				
Mineral Division	-	-	-	-
Oil and Gas Division	253	115	41	18
Oil and Gas Operations				
Barrels of Oil Equivalent (BOE) per day ⁽¹⁾	195	179	162	186

⁽¹⁾ Barrels of Oil Equivalent (BOE) are calculated using a conversion ratio of 6 MCF to 1 barrel of oil. The conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and as such may be misleading if used in isolation.

RESULTS OF OPERATIONS

Revenues

(\$ 000s)	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Revenue:					
Mineral Division	73	70	77	143	116
Oil and Gas Sales	507	557	394	1,064	875
Dividend income	128	111	78	239	160
Gross Revenue	708	738	549	1,446	1,151

Average Realized Prices (Cdn \$):

Natural gas (per MCF)	4.50	5.09	3.76	4.82	4.49
Natural gas liquids (per barrel)	62.07	61.83	41.13	61.96	30.24

Revenues from the Geomark Operations mineral operations in the first six months of 2010 increased by \$28,000 from the 2009 six months ended June 30. The increase in interest income was mainly attributable to a larger cash balance from an August 2009 financing.

Revenue for the first half of 2010 from the Geomark Operations petroleum and natural gas properties increased compared to the first half of 2009 due to increases in commodity prices, especially liquids. This was partially offset by lower production volumes. Quarter over quarter revenue decreased due to a decline in commodity prices for natural gas and a decrease in production from Granta Makepeace.

On February 1, 2009, the operator of one of the oil and gas properties unilaterally stopped allocating natural gas production (approximately 55 MCF per day) to Geomark Operations and the other minority interest partners based on the operator's interpretation of the unit agreement. It is the Company's position that this interpretation of the agreement is incorrect and the non-operating partners should continue to receive this production. No amount of the natural gas in dispute has been recorded as sales from this property. Comaplex has filed an objection with the operator outlining its position and management will actively defend its position through whatever legal options it has. Until the matter is resolved, no amounts will be accrued in respect of this production.

During the first quarter of 2009, the Geomark Operations received an adjustment from the operator of the Geomark Operations' most significant producing property (Garrington Elkton). The adjustment impacted the years 2004 and 2005. The overall net impact of the adjustment was not that significant but it did result in some significant financial line item adjustments. The adjustment increased natural gas sales and revenue but reduced liquid sales and revenues by an even greater amount (net reduction of approximately \$62,000). The result was slightly lower production volumes of approximately 125 BOE (1.3 BOE per day) for the quarter. The impact to average pricing was greater as the average liquid revenue was reduced approximately \$105.00 per barrel while gas revenues increased by \$7.08 per MCF.

Dividend income from Bonterra Energy Corp. (Bonterra) increased for the six month period of 2010 over the first half of 2009. This was due to Bonterra increasing its dividends to \$1.17 per share for the first six months of 2010 from \$0.78 per share for the six months ended June 30, 2009.

Production

	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Natural gas (MCF per day)	622	726	672	674	777
Natural gas liquids (barrels per day)	44	40	43	42	36
Total BOE per day	148	161	150	154	160

The annual decline rate on the Geomark Operations' oil and natural gas production is approximately 12 percent. Production further decreased for the first six months of 2010 compared to the first six months of 2009 due to the above mentioned dispute, which will continue to impact production volumes until the situation is resolved. Production decreased in Q2 2010 from Q1 2010 due to larger than normal production declines in the Granta Makepeace property. The Company is currently looking into the matter.

Royalties

(\$ 000s)	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Crown royalties (recovery)	(64)	76	30	12	7
Gross overriding royalties	23	24	17	47	46
Total royalty expense (recovery)	(41)	100	47	59	53

Crown royalties for the first six months of 2010 were comparable to the 2009 six month period as crown royalties were reduced in both periods. In Q2 2010, \$102,000 of crown royalties were recovered relating to the prior year. In 2009 a crown royalty decrease was due to the above mentioned adjustment on the Garrington property (\$66,000 crown royalty credit adjustment in the first quarter of 2009).

The Geomark Operations acquired two crown royalty drilling credits of \$102,000 per credit from Bonterra for \$51,000 each. One of the credits was acquired in the first quarter of 2010 and the other in the last quarter of 2009 (discussed further in the related party section of this report). These drilling credits reduced crown royalty expense.

Production Costs

(\$ 000s)	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Production costs – natural gas/NGLs	151	129	116	280	305
\$ per BOE	11.23	8.93	8.58	10.04	10.54

The decrease in 2010 production costs over the first six months of 2009 was due to decreased natural gas processing fees. The decrease relates to a Q1 2009 settlement in respect of 2008 processing fees. Q2 2010 production costs increased in relation to Q1 2010 due to the payment of mineral taxes in the second quarter.

General and Administrative (G&A) and Transaction Costs

(\$ 000s)	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
G&A costs – Minerals Division	375	326	429	701	708
G&A costs – Oil and Gas Division	43	35	37	78	71
Total G&A	418	361	466	779	779

General and administrative costs increased by \$49,000 in Q2 2010 compared to Q1 2010. The increase was primarily due to annual directors' fees, increased continuous disclosure costs and legal fees. The Oil and gas division G&A costs have remained relatively unchanged.

Stock-Based Compensation

Stock-based compensation is a statistically calculated value representing the estimated expense of issuing employee stock options. As Geomark Operations will be keeping all the employees it has recorded a compensation expense over the vesting period based on the fair value of options granted to employees, directors and consultants. Stock-based compensation decreased to \$333,000 in the first six months of 2010 from \$480,000 for the first six months of 2009. The decrease was due primarily to the granting of 731,000 stock options in September, 2008, with the majority of the stock-based compensation being recognized in the first year after issuance. Stock-based expense decreased \$13,000 from Q1 2010 due to the escalating reduction in the compensation costs related to the 2008 stock options.

During the first six months of 2010, the Geomark Operations did not issue any stock options.

Depletion, Depreciation and Accretion Expense

(\$ 000s)	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Depletion, depreciation and accretion expense	93	73	71	166	146

The increase in depletion, depreciation and accretion expense for the first six months of 2010 compared with the first six months of 2009 was due primarily to depreciation and depletion on tangible oil and gas. No mineral property abandonment costs were incurred in the first six months of 2010. The policy is to review the carrying value of its mineral properties on an ongoing basis and if required reduces the cost of properties if it is determined that the property values should be lowered.

Income Tax Expense (Recovery)

The future tax expense of \$7,000 in the first half of 2010 compared to a future tax recovery of \$185,000 in the first half of 2009 was primarily due to changes in the estimates, tax rates and other differences in the Geomark Operations' statements to the legal entity tax returns.

Loss

(\$ 000s)	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Loss	(12)	(166)	(318)	(178)	(427)

Loss for the first six months of 2010 decreased by \$249,000 compared to the first six months of 2009. The decrease was mainly due to increased oil and gas sales, dividend and interest income, offset partially by a future income tax expense in 2010 versus a future income tax benefit in 2009.

Other Comprehensive Income

Other comprehensive income relates entirely to the mark to market valuation on the Geomark Operations' investments in Bonterra and Pine Cliff Energy Ltd. (Pine Cliff). During the first half of 2010, the market value of the investments increased by \$46,000. In the first half of 2009 the market value of the investments increased by \$909,000.

Cash Flow (Deficiency) from Operations

(\$ 000s)	Three months ended			Six months ended	
	June 30, 2010	March 31, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Cash flow (deficiency) from operations	(41)	204	(262)	163	(338)

Cash flow from operations increased \$501,000 in the first six months of 2010 compared to the first six months of 2009. The increase was primarily due to increased oil and gas income and increased dividend and interest income. Q2 2010 decreased from Q1 2010 due to non-cash working capital items.

Liquidity and Capital Resources

At June 30, 2010, the Geomark Operations had a working capital position of \$26,613,000 (December 31, 2009 - \$27,893,000). These numbers do not include the value of liquid investments of \$7,229,000 at June 30, 2010 (December 31, 2009 - \$7,193,000).

No exploration programs were conducted on the Geomark Operations' mineral projects. Capital expenditures of \$150,000 (2009 - \$164,000) were incurred on the Geomark Operations' oil and natural gas assets for capital maintenance projects. Capital expenditures for the oil and natural gas assets are expected to be less than \$250,000 for 2010.

Related Party Transactions

A management fee to Bonterra of \$180,000 (2009 - \$165,000) was paid by Geomark Operations. The Geomark Operations also shares office rental costs and reimburses Bonterra for costs related to employee benefits and office materials. These costs have been included in general and administrative costs. In addition, Bonterra owns 689,682 (December 31, 2009 - 689,682) common shares in Comaplex and subsequent to July 6, 2010 the equivalent amount in Geomark. Services provided by Bonterra include executive services (president and vice president, finance duties), accounting services, oil and gas administration and office administration. All services performed are charged at estimated fair value. As at June 30, 2010, Geomark Operations had an account payable to Bonterra of \$82,000 (December 31, 2009 - \$105,000).

During the six month period ended June 30, 2010, Bonterra sold \$102,000 of drilling royalty credits to Geomark Operations for \$51,000 (2009 - \$Nil). Drilling royalty credits will be used to offset future crown royalties.

The Geomark Operations assets include at June 30, 2010, 204,633 (December 31, 2009 - 204,633) common shares in Bonterra representing just over one percent of the outstanding shares of Bonterra. The shares have a fair value of \$7,111,000 (December 31, 2009 - \$7,093,000). In 2010, Geomark Operations received dividend income of \$239,000 (2009 - \$160,000).

As at June 30, 2010, Geomark Operations has loaned Bonterra \$12,000,000 (December 31, 2009 - \$12,000,000). Effective May 1, 2010 interest is charged at a rate of Canadian Chartered Bank Prime less 5/8 percent. Prior to May 1, 2010, interest was charged at a rate of Canadian Chartered Bank Prime less 0.25 percent. The loan is subordinated to Bonterra's bank debt and is unsecured. The loan is payable upon demand subject to availability under Bonterra's line of credit. As at June 30, 2010, Bonterra has sufficient room under its line of credit to repay the loan. Interest earned on the loan during the period was \$114,000 (2009 - \$79,000). This loan results in a substantial benefit to Bonterra and to the Company. The interest paid by Bonterra is substantially lower than the bank interest rate and for the Company, the interest earned is

substantially higher than it would receive by investing in bank instruments such as bankers' acceptance or guaranteed investment certificates.

The Geomark Operations assets also include, at June 30, 2010, 346,000 (December 31, 2009 – 346,000) common shares in Pine Cliff. Pine Cliff has common directors and management with the Company. Pine Cliff trades on the TSX Venture Exchange. As of June 30, 2010 the common shares have a fair value of \$118,000 (December 31, 2009 - \$100,000). The ownership of 346,000 common shares represents less than one percent of the total issued and outstanding common shares of Pine Cliff. There were no transactions between Pine Cliff and the Geomark Operations.

Disclosure Controls and Procedures Update

Disclosure controls and procedures (DC&P) have been designed to ensure the information required to be disclosed by Geomark, including the Geomark Operations, is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures. Geomark's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by the interim filings that the disclosure controls and procedures are effective to provide reasonable assurance that material information related to Geomark and the Geomark Operations is made known to them by others within the organization. It should be noted that while the Chief Executive Officer and Chief Financial Officer believe that Geomark's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures or internal control over financial reporting will totally eliminate or prevent the possibility of errors or fraud to occur. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objective of the control system is met.

Internal Controls Update

Geomark has conducted a review of the its Internal Control Over Financial Reporting (ICFR), with the conclusion that as of June 30, 2010, the system of ICFR as defined under NI 52-109 is adequately designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The control framework used to design Geomark's ICFR was the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In its review, management identified certain material weaknesses in internal controls over financial reporting:

1. due to the limited number of staff, it is not feasible to achieve the complete segregation of incompatible duties; and
2. due to the limited number of staff, Geomark relies upon third parties as participants in the internal controls over financial reporting.

Management believes these weaknesses are mitigated by: the active involvement of senior management and the board of directors in the affairs of Geomark; open lines of communication; the present levels of activities and transactions being readily transparent; the thorough review of the financial statements by management, the board of directors and by Geomark's auditors; and the establishment of a whistle-blower policy. However, these mitigating factors will not necessarily prevent a material misstatement occurring as a result of the aforesaid weaknesses in internal controls over financial reporting. A system of internal controls over financial reporting, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are met. Management has no plans for remediating the above weaknesses.

Financial Reporting Update

International Financial Reporting Standards

The Accounting Standards Board has confirmed the convergence of Canadian GAAP with International Financial Reporting Standards (IFRS) will be effective January 1, 2011. From that point onward Comaplex will be required to account for and report under IFRS.

Although the International Accounting Standards Board (IASB) intends to revise several standards between now and 2011, IFRS will be adopted in Canada utilizing a “big bang” approach, with the exception of some Canadian GAAP changes that have occurred or will occur in periods leading up to the transition date.

The IASB has undertaken a number of projects, many being joint projects with the Financial Accounting Standards Board in the U.S., that may significantly change existing international standards.

This degree of activity currently being undertaken by the standard setters makes the convergence from Canadian GAAP to IFRS a moving target. Due to these likely changes, careful monitoring of developments will be required in order to understand fully the accounting and business implications of the new requirements.

The Geomark Operations commenced phase two of the process of conversion to IFRS in Q4 2009 by engaging its external auditors to perform a detailed review of the implementation of IFRS on Comaplex and the Geomark Operations’ high impact and medium impact areas identified below:

High impact areas include:

- IFRS 1 – First time adoption of IFRS
- IFRS 3 – Business combinations
- IFRS 6 – Exploration and evaluation of mineral resources
- IAS 16 – Property and equipment
- IAS 36 – Impairment of assets

Medium impact areas include:

- IFRS 2 – Share-based payments
- IAS 1 – Presentation of financial statements
- IAS 10 – Events after the balance sheet date
- IAS 12 – Income Taxes
- IAS 18 – Revenues
- IAS 23 – Borrowing costs
- IAS 37 – Provisions, contingent liabilities and contingent assets
- ED 9 – Joint arrangements

Geomark has completed the review and adjustments to its opening balance sheet required in relation to its IFRS policies. The policies as well as the financial impact on Geomark’s opening financial statement items are currently being reviewed by Geomark’s auditors. Geomark anticipates commencing phase three (financial statement and note compilation) during the third quarter of 2010. Key information will be disclosed as it becomes available during the transition period.

The impact of IFRS will be significant; however Comaplex maintained an accounting policy of successful efforts for property and equipment that will result in a major reduction in the level of conversion compared to most oil and gas companies who used the full cost accounting policy.

Geomark has implemented a new financial accounting system that provides for sufficient detail to comply with the IFRS requirements. As Comaplex had been using successful efforts since its inception, detail at a well level has been maintained under its past and current financial accounting systems as well as procedures are in place to capture this information at the operational level.

Implications to Geomark's controls for DC&P and ICFR are being reviewed; however Geomark believes that the majority of the procedures in place will apply once IFRS is implemented. Training will be required and is ongoing. Individuals within Geomark have been and will continue to attend courses, seminars and other training activities to ensure Geomark is adequately prepared for IFRS. Use of external legal expertise will be used to ensure compliance is maintained with all contractual agreements.

Additional information relating to the Geomark may be found on www.sedar.com and by visiting our website at www.geomark.ca.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values of certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

The Company's auditors have not performed a review of these interim financial statements. The audit committee has reviewed these financial statements with management and has reported to the Board of Directors. The Board of Directors has approved the financial statements as presented in this interim report.

GEOMARK EXPLORATION LTD.
GEOMARK CARVED OUT OPERATIONS
Consolidated Balance Sheets

(See Note 1: Basis of Presentation)

As at June 30, 2010 and December 31, 2009 (unaudited) (\$ 000s)	2010	2009
Assets		
Current		
Cash	14,612	16,051
Accounts receivable	406	359
Prepaid expenses	119	246
Loan to related party (Note 3)	12,000	12,000
	27,137	28,656
Investments (Note 3)	7,229	7,193
Property and Equipment		
Property and equipment	10,268	10,172
Accumulated depletion, depreciation and amortization	(8,476)	(8,314)
Net Property and Equipment	1,792	1,858
	36,158	37,707
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 3)	524	763
Asset Retirement Obligations	178	179
Future Income Tax Liability (Note 4)	27	20
	729	962
Equity		
Net investment by Comaplex Minerals Corp.	19,974	21,152
Retained earnings	10,920	11,098
Accumulated other comprehensive income (Note 5)	4,535	4,495
	15,455	15,593
Total Equity	35,429	36,745
	36,158	37,707

See accompanying notes to these consolidated financial statements.

GEOMARK EXPLORATION LTD.
GEOMARK CARVED OUT OPERATIONS
Consolidated Statements of Loss, Retained Earnings and Net Investment
(See Note 1: Basis of Presentation)

For the Periods Ended June 30 (unaudited)

(\$ 000s)	Three Months		Six Months	
	2010	2009	2010	2009
Minerals Division				
Interest	73	77	143	116
Oil and Gas Division				
Oil and gas sales	507	394	1,064	875
Royalties	41	(47)	(59)	(53)
Dividend income (Note 3)	128	78	239	160
	676	425	1,244	982
Total Net Revenue	749	502	1,387	1,098
Expenses				
Oil and gas production costs	151	116	280	305
General and administrative				
Minerals division	375	429	701	708
Oil and gas division	43	37	78	71
Stock-based compensation	160	238	333	480
Depletion, depreciation and accretion	93	71	166	146
	822	891	1,558	1,710
Loss Before Taxes	(73)	(389)	(171)	(612)
Income Taxes (Recovery)				
Current	-	-	-	-
Future	(61)	(71)	7	(185)
	(61)	(71)	7	(185)
Loss for the Period	(12)	(318)	(178)	(427)
Retained earnings, beginning of period	10,932	12,550	11,098	12,659
Retained Earnings, End of Period	10,920	12,232	10,920	12,232
Net investment by Comaplex Minerals Corp., Beginning of Period	24,015	7,953	21,152	13,154
Net investment by (to) Comaplex Minerals Corp.	(4,041)	(3,180)	(1,178)	(8,381)
Net investment by Comaplex Minerals Corp., End of Period	19,974	4,773	19,974	4,773

See accompanying notes to these consolidated financial statements.

GEOMARK EXPLORATION LTD.
GEOMARK CARVED OUT OPERATIONS
Consolidated Statements of Comprehensive Income (Loss)
(See Note 1: Basis of Presentation)

For the Periods Ended June 30 (unaudited)

(\$ 000s)	Three Months		Six Months	
	2010	2009	2010	2009
Loss for the period	(12)	(318)	(178)	(427)
Other Comprehensive Income (Loss)				
Unrealized gain (loss) on investments	(447)	1,262	46	909
Future taxes on unrealized loss (gain) on investments	54	(192)	(6)	(136)
Future tax adjustment on exchange of investments	-	514	-	514
Other comprehensive income (loss) (Note 5)	(393)	1,584	40	1,287
Comprehensive income (loss)	(405)	1,266	(138)	860

See accompanying notes to these consolidated financial statements.

GEOMARK EXPLORATION LTD.
GEOMARK CARVED OUT OPERATIONS
Consolidated Statements of Cash Flow

(See Note 1: Basis of Presentation)

	Three Months		Six Months	
(\$ 000s)	2010	2009	2010	2009
For the Periods Ended June 30 (unaudited)				
Operating Activities				
Loss for the period	(12)	(318)	(178)	(427)
Items not affecting cash				
Stock-based compensation	160	238	333	480
Depletion, depreciation and accretion	93	71	166	146
Future income taxes	(61)	(71)	7	(185)
	180	(80)	328	14
Change in non-cash operating working capital items				
Accounts receivable	(140)	65	(47)	138
Prepaid expenses	91	33	127	3
Accounts payable and accrued liabilities	(167)	(275)	(239)	(486)
Asset retirement obligations settled	(5)	(5)	(6)	(7)
	(221)	(182)	(165)	(352)
Cash Provided By (Used in) Operating Activities	(41)	(262)	163	(338)
Financing Activities				
Net investment by (to) Comaplex Minerals Corp.	(4,135)	(3,096)	(1,505)	(8,482)
Cash Provided By (Used in) Financing Activities	(4,135)	(3,096)	(1,505)	(8,482)
Investing Activities				
Oil and gas property and equipment expenditures	-	(184)	(157)	(348)
Proceeds on oil and gas property and equipment disposals	60	-	60	-
Loan to related party	-	-	-	(12,000)
Cash Provided By (Used in) Investing Activities	60	(184)	(97)	(12,348)
Net Cash Outflow	(4,116)	(3,542)	(1,439)	(21,168)
Cash, Beginning of Period	18,728	4,244	16,051	21,870
Cash, End of Period	14,612	702	14,612	702
Cash interest paid	-	-	-	-
Cash taxes paid	-	-	-	-

See accompanying notes to these consolidated financial statements.

GEOMARK EXPLORATION LTD.

GEOMARK CARVED OUT OPERATIONS

Notes to the Consolidated Interim Financial Statements

As at June 30, 2010 and December 31, 2009 and for the three and six month periods ended June 30, 2010 and 2009 (unaudited)

1. BASIS OF PRESENTATION

The interim financial statements are prepared on a continuity of interest basis for the Geomark Carved Out Operations (Geomark Operations) that have been transferred to Geomark Exploration Ltd. ("Geomark" or "the Company") from Comaplex Minerals Corp. (Comaplex) on July 6, 2010. The interim financial statements for the Geomark Operations as at and for the three and six months ended June 30, 2010 should be read in conjunction with the audited financial statements of Comaplex as at and for the year ended December 31, 2009. The notes to these interim financial statements do not conform in all respects to the note disclosure requirements of generally accepted accounting policies (GAAP) for annual financial statements. These interim financial statements are prepared using the same accounting policies and methods of computation as disclosed in the financial statements of Comaplex as at and for the year ended December 31, 2009. The disclosures provided within are incremental to those included with the annual financial statements.

Comaplex incorporated a 100 percent wholly-owned subsidiary, Geomark, which capitalized the Geomark Operations' assets and obligations, including a 100 percent wholly-owned subsidiary WMC International Limited.

Subsequent to the carve out of the assets and obligations, Geomark's common shares were distributed to the shareholders of Comaplex, other than Agnico-Eagle Mines Limited (Agnico-Eagle) and Perfora Investments S.a.r.l. (Perfora), on the basis of one Geomark share for every Comaplex share.

These financial statements have been prepared to present the financial position, results of operations and cash flows for the Geomark Operations, which as of July 6, 2010 are held by Geomark.

Subsequent to the carve-out of the Geomark Operations and the completion of the transaction with Geomark, the management of Geomark will determine all operating, investing and financing activities applicable to the Geomark Operations. Accordingly, the amounts recorded in these financial statements may not be indicative of the amounts that will result in future periods.

While the amounts applicable to the Geomark Operations for certain revenues, expenses, assets and liabilities can be derived directly from the accounting records of Comaplex, it has been necessary to allocate certain items in the manner described below.

Presentation of the Balance Sheets

For purposes of the Geomark Operations balance sheets all assets and liabilities, except for future income taxes, have been derived directly from the accounting records of Comaplex. Future income taxes are prepared on a legal entity basis and as such it is not possible to specifically identify only those activities that relate to the Geomark Operations assets. Management has separated the future income tax assets and liabilities directly attributable to the Geomark Operations assets on a reasonable basis based on best estimates for the purposes of the financial statements. Certain assets and liabilities are considered to arise from corporate activities and as such have been included entirely in the Geomark Operations balance sheets.

Presentation of the Statement of Operations

The Minerals division and Oil & Gas division revenues, oil and gas production expenses, foreign exchange loss (gain), depletion, depreciation, and accretion, impairment of oil and gas assets and abandonment of mineral properties are specifically allocated to the Geomark Operations in Comaplex's accounting records, and as such, the amounts included in the financial statements have been derived directly from Comaplex's accounting records.

General and administrative and stock-based compensation expenses have been derived directly from Comaplex's accounting records for the costs attributable to the Geomark Operations.

Future income taxes are prepared on a legal entity basis and as such it is not possible to specifically identify only those activities that relate to the Geomark Operations assets, as some corporate Comaplex activities are also included within the legal entity tax filings. Management has separated the future income tax assets and liabilities attributable to the Geomark Operations assets on a reasonable basis based on best estimates for the purposes of preparing the Geomark Operations' financial statements.

Presentation of the Statements of Cash Flow

As discussed above, the cash balances of the Geomark Operations assets can be specifically identified and as such the statements of cash flow represent the change in cash flows for the three and six month periods presented.

2. CHANGE IN ACCOUNTING POLICIES

Property and equipment

Petroleum and Natural Gas Properties and Related Equipment

On January 1, 2010, Geomark Operations prospectively changed its policy of depreciating petroleum and natural gas plant and equipment to using the declining balance method at 20 percent per year, from the straight-line method. The change of estimate was due to the declining balance method providing a better reflection of the estimated service life of the related assets. The Geomark Operations incurred \$57,000 less depreciation under the declining balance method, than under the straight-line method.

Recent Accounting Pronouncements

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards (IFRS) will replace Canadian GAAP effective January 1, 2011, including comparatives for 2010, for Canadian publicly accountable enterprises.

3. RELATED PARTY TRANSACTIONS

The Geomark Operations paid a management fee of \$180,000 (2009 - \$165,000) to Bonterra Energy Corp. (Bonterra) a publically traded oil and gas corporation listed on the Toronto Stock Exchange, that has common directors and management with the Geomark Operations. The Geomark Operations also shares office rental costs and reimburses Bonterra for costs related to employee benefits and office materials. These costs have been included in general and administrative expenses. Services provided by Bonterra include executive services (president and vice president, finance duties), accounting services, oil and gas administration and office administration.

During the six month period ended June 30, 2010, Bonterra sold \$102,000 of drilling royalty credits to the Geomark Operations for \$51,000 (2009 - \$Nil). Drilling royalty credits will be used to offset future crown royalties.

Bonterra owns 689,682 (December 31, 2009 – 689,682) common shares in Geomark.

As at June 30, 2010, the Geomark Operations had an account payable to Bonterra of \$82,000 (December 31, 2009 - \$105,000).

As at June 30, 2010, the Geomark Operations has loaned Bonterra \$12,000,000 (December 31, 2009 - \$12,000,000). Effective May 1, 2010 interest is charged at a rate equal to the Canadian Chartered Bank Prime rate less 5/8 percent. Prior to May 1, 2010, interest was charged at a rate equal to the Canadian Chartered Bank Prime rate less 0.25 percent. The loan is subordinated to Bonterra's bank debt and is unsecured. The loan is payable upon demand subject to availability under Bonterra's line of credit. As at June 30, 2010, Bonterra has sufficient room under its line of credit to repay the loan. Interest earned on the loan during the period was \$114,000 (2009 - \$79,000).

The Geomark Operations at June 30, 2010 owns 204,633 (December 31, 2009 – 204,633) shares in Bonterra representing just over one percent of the outstanding shares of Bonterra. The shares have a fair value of \$7,111,000 (December 31, 2009 - \$7,093,000). In 2010, the Geomark Operations received dividend income of \$239,000 (2009 - \$160,000).

The Geomark Operations at June 30, 2010 owns 346,000 (December 31, 2009 – 346,000) common shares in Pine Cliff Energy Ltd. (Pine Cliff). Pine Cliff has common directors and management with the Geomark Operations. Pine Cliff shares trade on the TSX Venture Exchange. As of June 30, 2010, the common shares have a fair value of \$118,000 (December 31, 2009 - \$100,000). The Geomark Operations' ownership of 346,000 common shares represents less than one percent of the total issued and outstanding common shares of Pine Cliff.

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

4. INCOME TAXES

The Geomark Operations has recorded a future income tax liability. The liability relates to the following temporary differences:

(\$ 000s)	June 30, 2010	December 31, 2009
	Amount	Amount
Future income tax liabilities:		
Capital assets	28	28
Investments	(233)	(228)
Asset retirement obligations	46	46
Other	30	32
Attributed crown royalty income	102	102
	(27)	(20)

5. ACCUMULATED OTHER COMPREHENSIVE INCOME

(\$ 000s)	January 1, 2010	Other Comprehensive Income	June 30, 2010
Unrealized gains on available-for-sale investments	4,495	40	4,535

(\$ 000s)	January 1, 2009	Other Comprehensive Income	December 31, 2009
Unrealized gains on available-for-sale investments	931	3,564	4,495

6. BUSINESS SEGMENT INFORMATION

The Geomark Operations' activities are represented by two industry segments comprised of mineral exploration and oil and gas production:

(\$ 000s)	Three Months ended June 30		Six Months ended June 30	
	2010	2009	2010	2009
Gross revenue				
Mineral exploration	73	77	143	116
Oil and Gas	635	472	1,303	1,035
	708	549	1,446	1,151
Depletion, depreciation, accretion, and abandonment				
Mineral exploration	-	-	-	-
Oil and Gas	93	71	166	146
	93	71	166	146
Net earnings (loss)				
Mineral exploration	(301)	(468)	(714)	(770)
Oil and Gas	289	150	536	343
	(12)	(318)	(178)	(427)
Property and equipment expenditures				
Mineral exploration	-	-	-	-
Oil and Gas	-	184	157	348
	-	184	157	348
Total assets (2009 amounts as of December 31, 2009)				
Mineral exploration			26,682	28,241
Oil and Gas			9,476	9,466
			36,158	37,707

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Factors

The Geomark Operations undertakes transactions in a range of financial instruments including:

- Cash deposits;
- Receivables;
- Loan to related party;
- Investments;
- Payables;

The Geomark Operations' activities result in exposure to a number of financial risks including market risk (commodity price risk, interest rate risk and foreign exchange risk) credit risk and liquidity risk. Financial risk management is carried out by senior management under the direction of the Directors.

The Geomark Operations does not enter into risk management contracts to sell its oil and gas commodities. Commodities are sold at market prices at the date of sale in accordance with the Board directive.

Capital Risk Management

The Geomark Operations' objectives when managing capital, which the Geomark Operations defines to include equity and working capital balances, are to safeguard the Geomark Operations' ability to continue as a going concern, so that it can continue to provide returns to its Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Geomark Operations has a large working capital balance to fund its future exploration activities.

Geomark believes that it is adequately capitalized to allow it to continue its future mineral exploration and oil and gas activities.

The following section (a) of this note provides a summary of the underlying economic positions as represented by the carrying values, fair values and contractual face values of the financial assets and financial liabilities.

The following section (b) addresses in more detail the key financial risk factors that arise from the Geomark's activities including its policies for managing these risks.

a) Financial assets, financial liabilities

The carrying amounts, fair value and face values of the Geomark Operations' financial assets and liabilities other than cash are shown in Table 1.

Table 1

(\$ 000s)	As at June 30, 2010			As at December 31, 2009		
	Carrying Value	Fair Value	Face Value	Carrying Value	Fair Value	Face Value
Financial assets						
Cash	14,612	14,612	14,612	16,051	16,051	16,051
Accounts receivable	406	406	421	359	359	453
Loan to related party	12,000	12,000	12,000	12,000	12,000	12,000
Investments	7,229	7,229	-	7,193	7,193	-
Financial liabilities						
Accounts payable and accrued liabilities	524	524	524	763	763	763

Financial instruments consisting of accounts receivable, loan to related party and accounts payable and accrued liabilities carried on the consolidated balance sheet are carried at amortized cost. Cash and investments are carried at fair value. All of the fair value items are transacted in active markets. Geomark Operations classifies the fair value of these transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Geomark Operations' cash and investments have been assessed on the fair value hierarchy described above and are all considered Level 1.

b) Risks and mitigations

Market risk is the risk that the fair value or future cash flow of the Geomark Operations' financial instruments will fluctuate because of changes in market prices. Components of market risk to which Geomark Operations is exposed are discussed below.

Commodity price risk

The Geomark Operations' principal operation is the exploration of mineral properties. The Geomark Operations also engages in the production and sale of oil and natural gas. Fluctuations in prices of these commodities may directly impact the Geomark Operations' performance and ability to continue with its operations.

The Company's management, at the direction of the Board of Directors, currently does not use risk management contracts to set price parameters for its production.

Sensitivity Analysis

The Geomark Operations is still in the exploration stage of development of its mineral exploration properties and therefore generates nominal cash flow or earnings from these properties. In addition, the Geomark Operations' petroleum and natural gas operations provide only moderate cash flow and as such, changes of \$1.00 U.S. per barrel in the price of crude oil, \$0.10 per MCF in the price of natural gas and \$0.01 change in the Cdn/U.S. exchange rate would have no significant impact on net earnings or comprehensive income.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that Geomark Operations uses. The principal exposure to the Geomark Operations is on its cash balances and its loan to related party which have a variable interest rate which gives rise to a cash flow interest rate risk.

Geomark Operations' cash consists of Canadian and U.S. investment chequing accounts. Since these funds need to be accessible for the development of capital projects, management does not reduce its exposure to interest rate risk through entering into term contracts of various lengths. As discussed above, the Geomark Operations generally manages its capital such that its budgeted capital requirements to current working capital ratio are at least six months.

Sensitivity Analysis

Based on historic movements and volatilities in the interest rate markets and management's current assessment of the financial markets, the Geomark Operations believes that a one percent variation in the Canadian prime interest rate is reasonably possible over a 12-month period.

A one percent change in the Canadian prime rate would increase or decrease annual net earnings and comprehensive income by \$198,000.

Foreign exchange risk

The Geomark Operations has no foreign operations and currently makes all of its product sales in Canadian currency. The Geomark Operations has an insignificant U.S. cash balance. Geomark Operations does not mitigate Cdn \$/U.S. \$ exchange rate risk by using risk management contracts.

Credit risk

Credit risk is the risk that a contracting party will not complete its obligations under a financial instrument and cause the Geomark Operations to incur a financial loss. Geomark Operations is exposed to credit risk on all financial assets included on the balance sheet. To help mitigate this risk:

- The Geomark Operations only maintains its cash balances with low risk exposure which frequently results in receiving lower interest rates on investments.
- The investments are only with entities that have common management with the Geomark Operations.

Accounts receivable balance at June 30, 2010 (\$406,000) and December 31, 2009 (\$359,000) primarily consist of product sales with major oil and gas marketing companies, all of which have always paid within 30 days, federal and provincial government refunds and credits, and interest from a major Canadian Bank.

The Geomark Operations assesses quarterly if there has been any impairment of the financial assets of the Geomark Operations. The Geomark Operations wrote-off \$84,000 of receivables that had a full allowance in a previous period. No impairment provision was required on the oil and gas financial assets. The Geomark Operations does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying value of accounts receivable approximates their fair value due to the relatively short periods to maturity on this instrument. The maximum exposure to credit risk is represented by the carrying amount on the balance sheet. There are no material financial assets that the Geomark Operations considers past due.

Liquidity risk

Liquidity risk includes the risk that, as a result of Geomark Operations' operational liquidity requirements:

- The Geomark Operations will not have sufficient funds to settle a transaction on the due date;
- The Geomark Operations will not have sufficient funds to continue with its exploration projects;
- The Geomark Operations will be forced to sell assets at a value which is less than what they are worth; or
- The Geomark Operations may be unable to settle or recover a financial asset at all.

To help reduce these risks, the Geomark Operations:

- Has a significant working capital base;
- Holds current investments that are readily tradable should the need arise; and
- Maintains a continuous evaluation approach as to the financing requirements for its exploration programs.

8. CONTINGENT RECEIVABLE

In December 2009, Comaplex acquired Meliadine Resources Ltd. from Perfora Investments S.a.r.l. (Perfora) (a wholly owned subsidiary of Resource Capital Fund III L.P.), by issuance of 12,750,000 common shares of Comaplex. As part of the Purchase and Sale Agreement, Perfora is required to pay additional consideration to Comaplex for the issued common shares upon their sale based on a sliding scale for price of shares sold.

The contingent consideration has been transferred to Geomark as part of the Geomark Operations assets, pursuant to an acquisition agreement between Comaplex, Agnico-Eagle and Geomark (the "Arrangement"). Agnico-Eagle acquired on July 6, 2010 all of the issued and outstanding common shares of Complex on the basis of one Comaplex share for 0.1576 of an Agnico-Eagle share. Should Perfora sell its 2,009,400 Agnico-Eagle common shares (12,750,000 times 0.1576 exchange ratio) for in excess of \$53.93 per share, Geomark will receive \$13,500,000. This amount is reduced to \$Nil should Perfora receive \$34.90 or less per Agnico-Eagle common share.

Due to the contingent nature of the receivable, no amount has been recorded in the June 30, 2010 financial statements of the Geomark Operations. Subsequent to June 30, 2010, Geomark Operations received the full \$13,500,000 contingent receivable. Geomark will record the amount as a capital contribution.



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