INVENIO RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE AND THREE MONTHS ENDED 30 APRIL 2013

Stated in Canadian Funds

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Invenio Resources Corp.:

Management is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the condensed interim consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the external auditors.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

27 June 2013

"Ken Booth"	*"Jeff Block"*
Ken Booth, President and CEO	Jeff Block, CFO

INVENIO RESOURCES CORP.

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 April 2013	31 July 2012
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 4,363**	$ 103,220
Taxes receivable		**6,785**	8,410
Prepaid amounts and other current assets		**8,431**	6,816
		19,579	118,446
Non-current Assets			
Intangible assets	(5)	**1,635**	2,109
Equipment	(6)	**14,453**	22,198
Reclamation bonds		**-**	5,007
Exploration and evaluation assets	(7)	**-**	23,076
		16,088	52,390
		$ 35,667	$ 170,836
LIABILITIES			
Current Liabilities			
Trade and other payables	(8)	**$ 250,394**	$ 132,910
EQUITY			
Share capital (*Statement 3*)	(9)	**7,647,431**	7,647,431
Contributed surplus (*Statement 3*)	(9)	**1,580,711**	1,580,711
Deficit (*Statement 3*)		**(9,442,869)**	(9,190,216)
		(214,727)	37,926
		$ 35,667	$ 170,836

Nature of Operations and Going Concern	(1)	Segmented Disclosure	(10)
Basis of Preparation - Statement of Compliance	(2)	Capital Disclosure	(11)

The condensed interim consolidated financial statements were approved by the Board of Directors on 27 June 2013 and were signed on its behalf by:

"Ken Booth"
Ken Booth, Director

"Allan Williams"
Allan Williams, Director

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

INVENIO RESOURCES CORP.

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**Nine Months Ended 30 April 2013**	Nine Months Ended 30 April 2012	**Three Months Ended 30 April 2013**	Three Months Ended 30 April 2012
CONTINUING OPERATIONS					
EXPENSES					
Exploration and evaluation					
Exploration expenditures	(7)	**$ 31,792**	$ 287,883	**$ 20,350**	$ 15,496
General and administrative					
Management fees	(8)	**135,000**	134,123	**45,000**	38,544
Professional fees	(8)	**43,258**	52,505	**11,323**	(1,560)
Consulting fees		**17,500**	54,432	**5,000**	15,000
Transfer agent and filing fees		**15,241**	13,928	**10,249**	6,400
Office rent	(8)	**13,500**	13,500	**4,500**	4,500
Amortization		**8,219**	11,105	**2,739**	3,681
Insurance		**6,485**	6,444	**2,159**	2,090
Travel		**5,744**	11,881	**293**	3,682
Office and general		**1,470**	11,271	**149**	4,355
Advertising and promotion		**1,420**	25,916	**314**	7,467
Corporate communication and development		**1,307**	47,255	**-**	-
Foreign exchange (gain) loss		**940**	(25,786)	**861**	1,598
Bank charges and interest		**(299)**	2,218	**(477)**	129
Expense recovery		**(2,000)**	(5,040)	**(2,000)**	(5,040)
Share-based payments	(9)	**-**	8,000	**-**	-
Net Loss for the Period		**(279,577)**	(649,635)	**(100,460)**	(96,342)
Gain on disposition of property		**26,924**	-	**26,924**	-
Net Loss and Total Comprehensive Loss for the Period		**(252,653)**	(649,635)	**(73,536)**	(96,342)
Basic and Diluted Loss per Common Share		**$ (0.01)**	$ (0.03)	**$ (0.00)**	$ (0.00)
Weighted Average Number of Shares Outstanding		**22,303,794**	21,976,422	**22,303,794**	22,303,794

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

INVENIO RESOURCES CORP.

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Shares		Share Value		Amount		Contributed Surplus		Deficit		Shareholders' Equity
BALANCE 01 AUGUST 2011		21,628,794	$	-	$	7,592,681	$	1,572,711	$	(8,159,078)	$	1,006,314
Shares issued for property	(7)	100,000		0.14		14,000		-		-		14,000
Share-based payments	(9)	-		-		-		8,000		-		8,000
Net loss for the period		-		-		-		-		(380,302)		(380,302)
BALANCE AT 31 OCTOBER 2011		21,728,794		-		7,606,681		1,580,711		(8,539,380)		648,012
Shares issued for property	(7)	525,000		0.07		36,750		-		-		36,750
Net loss for the period		-		-		-		-		(172,991)		(172,991)
BALANCE AT 31 JANUARY 2012		22,253,794	$	-	$	7,643,431	$	1,580,711	$	(8,712,371)	$	511,771
Net loss for the period		-		-		-		-		(96,342)		(96,342)
BALANCE AT 30 APRIL 2012		22,253,794	$	-	$	7,643,431	$	1,580,711	$	(8,808,713)	$	415,429
Shares issued for property	(7)	50,000		0.08		4,000		-		-		4,000
Net loss for the period		-		-		-		-		(381,503)		(381,503)
BALANCE AT 31 JULY 2012		22,303,794	$	-	$	7,647,431	$	1,580,711	$	(9,190,216)	$	37,926
Net loss for the period		**-**		**-**		**-**		**-**		**(78,762)**		**(78,762)**
BALANCE AT 31 OCTOBER 2012		**22,303,794**	**$**	**-**	**$**	**7,647,431**	**$**	**1,580,711**	**$**	**(9,268,978)**	**$**	**(40,836)**
Net loss for the period				**-**		**-**		**-**		**(100,355)**		**(100,355)**
BALANCE AT 31 JANUARY 2013		**22,303,794**	**$**	**-**	**$**	**7,647,431**	**$**	**1,580,711**	**$**	**(9,369,333)**	**$**	**(141,191)**
Net loss for the period		**-**		**-**		**-**		**-**		**(73,536)**		**(73,536)**
BALANCE AT 30 APRIL 2013		**22,303,794**				**7,647,431**	**$**	**1,580,711**		**(9,442,869)**		**(214,727)**

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

INVENIO RESOURCES CORP.

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine Months Ended 30 April 2013	Nine Months Ended 30 April 2012	Three Months Ended 30 April 2013	Three Months Ended 30 April 2012
OPERATING ACTIVITIES				
Net Loss for the Period	$ (252,653)	$ (649,635)	$ (73,536)	$ (96,342)
Items not Affecting Cash				
Amortization	8,219	11,182	2,739	3,727
Share-based payment	-	8,000	-	-
Foreign exchange loss	-	1,129	-	187
	(244,434)	(629,324)	(70,797)	(92,428)
Net Change in Non-cash Working Capital				
Taxes receivable	1,625	37,673	6,233	(7,411)
Prepaid amounts and other assets	(1,615)	33,583	2,839	7,687
Trades and other payables	117,484	(110,320)	32,855	(32,848)
Reclamation bond recovery	5,007	-	5,007	-
	(121,933)	(668,388)	(23,863)	(125,000)
INVESTING ACTIVITIES				
Acquisition of mineral property	-	(100,000)	-	-
Disposition of mineral property	23,076	-	23,076	-
	23,076	(100,000)	23,076	
Net Increase in Cash	(98,857)	(768,388)	(787)	(125,000)
Cash position – beginning of period	103,220	770,896	5,150	127,508
Cash Position – End of Period	$ 4,363	$ 2,508	$ 4,363	$ 2,508
Schedule of Non-cash Investing and Financing Transactions				
Shares issued for exploration and evaluation asset acquisition	$ -	$ -	$ -	$ -
Shares issued for services	$ -	$ -	$ -	$ -

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of Operations and Going Concern

Invenio Resources Corp. (“the Company”) was incorporated in the Province of British Columbia on 20 December 1996. The Company is in the exploration stage and has been in the process of exploring several mineral properties in the United States. The Company has not yet determined whether these properties contain economic reserves. The Company is listed on the TSX Venture Exchange (“TSX-V”). The Company’s Registered and Records Office is at Suite 1010 – 789 West Pender Street, Vancouver, BC.

These condensed interim consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions including an accumulated deficit that cast significant doubt upon the soundness of this assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of mineral property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

Consistent with other companies in the sector of mineral exploration, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests. The Company needs to raise equity financing in the short-term to continue its operations.

For the Company to continue to operate as a going concern it must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used and such adjustments could be material.

		30 April 2013		31 July 2012
Working capital (deficit)	**$**	**(230,815)**	$	(14,464)
Accumulated (deficit)	**$**	**(9,442,869)**	$	(9,190,216)

2) Basis of Preparation – Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Since the unaudited condensed interim consolidated financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 July 2012.

3) Summary of Significant Accounting Policies

The condensed interim consolidated financial statements have been prepared under the historical cost convention. The Company's principal accounting policies are outlined below:

a) Basis of presentation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition. The Company has no non-controlling interests.

b) Foreign currency

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the parent. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Both the parent and subsidiary use the Canadian dollar as their functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the end of reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

In respect of all foreign operations, any exchange differences that have arisen before 01 August 2010, the date of transition to IFRS, are deemed to be nil and will be excluded from the determination of any subsequent profit or loss on disposal.

c) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

d) Comprehensive profit (loss)

Comprehensive profit (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to foreign subsidiary operations. The Company's comprehensive profit (loss), components of other comprehensive income, and cumulative translation adjustments are presented in the Consolidated Statements of Comprehensive Income and the Consolidated Statements of Shareholders' Equity.

e) Property and equipment

Other assets are amortized over their estimated useful lives at the following rates:

Field equipment	30%	Declining balance method
Computer equipment	55%	Declining balance method
Furniture and fixtures	20%	Declining balance method

Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment.

Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognised as a provision.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal overheads.

The costs of day-to-day servicing are recognised in profit or loss as incurred. These costs are more commonly referred to as "maintenance and repairs."

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized at interest rates relating to loans specifically raised for that purpose, or at the average borrowing rate where the general pool of group borrowings is utilized. Capitalization of borrowing costs ceases when the asset is substantially complete.

The depreciation method, useful life and residual values are assessed annually.

Leased assets

Leases in which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lower of the fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses

Subsequent costs

The cost of replacing part of an item within property and equipment is recognised when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised as an expense as incurred.

Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit and loss for the period.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. An impairment loss with respect to goodwill is never reversed.

f) Exploration and evaluation expenditure

The Company is currently in the exploration stage with all of its mineral interests. Exploration and evaluation costs include the costs of acquiring licenses, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of exploration and evaluation assets acquired by the issue of shares.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded in the period that the payments are made or received. The Company does not accrue costs to maintain mineral interests in good standing.

Restoration provisions

The Company recognizes liabilities for legal obligations associated with the reclamation or rehabilitation of mineral property interests that the Company is required to settle. The Company recognizes the fair value of liabilities for such obligations in the year in which they occur or in the year in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with a corresponding charge to operations. The Company has determined that it has no restoration obligations as at 30 April 2013.

g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

4) Financial Instruments and Risk Management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 April 2013 due to the immediate or short-term maturities of the financial instruments.

<u>Fair values of financial assets and liabilities</u>

The Company's financial instruments include cash and cash equivalents, amounts receivable, trade and other payables, and due to related parties. Cash and cash equivalents, amounts receivable, trade and other payables, and due to related parties approximate their fair value due to their short-term nature.

b) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada accordingly the Company believes it not exposed to significant credit risk.

d) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to interest rate risk.

e) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going exploration expenditures. The Company is not exposed to significant foreign currency risk.

f) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows this is a significant risk.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5) Intangible assets

		Computer Software
COST		
Balance at 01 August 2011	$	3,545
Additions		-
Balance at 31 July 2012	$	3,545
Balance at 01 August 2012	**$**	**3,545**
Additions		**-**
Balance at 30 April 2013	**$**	**3,545**
DEPRECIATION AND IMPAIRMENT LOSSES		
Balance at 01 August 2011	$	532
Depreciation for the year		904
Balance at 31 July 2012	$	1,436
Balance at 01 August 2012	**$**	**1,436**
Depreciation for the period		**474**
Balance at 30 April 2013	**$**	**1,910**
CARRYING AMOUNTS		
At 1 August 2011	$	3,013
At 31 July 2012		2,109
At 30 April 2013	**$**	**1,635**

Intangible assets are stated, in the statement of financial position, at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of the asset over their estimated useful lives using the declining balance method as follows:

Computer software	30%	Declining Balance Method

6) Equipment

	Field Equipment	Computer Equipment	Furniture and Fixtures	Total
COST				
Balance at 01 August 2011	$ 26,175	$ 26,981	$ 7,034	$ 60,190
Additions	-	-	-	-
Balance at 31 July 2012	$ 26,175	$ 26,981	$ 7,034	$ 60,190
Balance at 01 August 2012	**$ 26,175**	**$ 26,981**	**$ 7,034**	**$ 60,190**
Additions	**-**	**-**	**-**	**-**
Balance at 30 April 2013	**$ 26,175**	**$ 26,981**	**$ 7,034**	**$ 60,190**
DEPRECIATION				
Balance at 01 August 2011	$ 3,926	$ 15,341	$ 3,125	$ 22,392
Depreciation for the year	8,416	6,402	782	15,600
Balance at 31 July 2012	$ 12,342	$ 21,743	$ 3,907	$ 37,992
Balance at 1 August 2012	**$ 12,342**	**$ 21,743**	**$ 3,907**	**$ 37,992**
Depreciation for the period	**5,115**	**2,161**	**469**	**7,745**
Balance at 30 April 2013	**$ 17,457**	**$ 23,904**	**$ 4,376**	**$ 45,737**
CARRYING AMOUNTS				
At 1 August 2011	$ 22,249	$ 11,640	$ 3,909	$ 37,798
At 31 July 2012	$ 13,833	$ 5,238	$ 3,127	$ 22,198
At 30 April 2013	**$ 8,718**	**$ 3,077**	**$ 2,658**	**$ 14,453**

Property and equipment are stated, in the statement of financial position, at cost less accumulated depreciation. The cost of property and equipment includes directly attributed incremental costs incurred in their acquisition and installation.

The gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7) Exploration and Evaluation Assets

a) Exploration and evaluation expenditures

Exploration and evaluation acquisition costs for the fiscal year ended 31 July 2012 and the period ended 30 April 2013 are as follows:

	Kings Canyon Millard County	Green Springs	Candle Hills	Ganes Creek	Total
ACQUISITION COSTS					
As at 01 August 2011	$ 98,010	$ 23,076	$ -	$ 196,520	$ 317,606
Acquisition costs	5,750	-	78,000	71,000	154,750
Sale of properties	(98,010)	-	-	-	(98,010)
Write-down of properties	(5,750)	-	(78,000)	(267,520)	(351,270)
As at 31 July 2012	$ -	$ 23,076	$ -	$ -	$ 23,076
Balance Forward	**$ -**	**$ 23,076**	**$ -**	**$ -**	**$ 23,076**
Write-down of properties	**-**	**(23,076)**	**-**	**-**	**(23,076)**
As at 30 April 2013	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Exploration and evaluation expenditures for the nine month periods ended 30 April 2012 and 30 April 2013 are as follows:

	Caldera	Kings Canyon Millard County	Green Springs	Candle Hills	Ganes Creek	Total
EXPLORATION EXPENDITURES						
Administration and camp	$ -	$ 1,530	$ 780	$ (12,520)	$ 19,791	$ 9,581
Assaying	-	-	-	4,186	508	4,694
Geological	-	-	3,900	23,838	61,899	89,637
Licensing	-	18,201	11,888	10,000	45,000	85,089
Geochemical and geophysical	-	-	-	-	7,057	7,057
Reports and mapping	-	-	-	9,813	70,603	80,416
Transportation	-	-	-	2,035	9,374	11,409
Period ended 30 April 2012	-	$ 19,731	$ 16,568	$ 37,352	$ 214,232	$ 287,883
Administration and camp	**$ 20,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,000**
Concessions and licensing	**-**	**-**	**11,442**	**-**	**350**	**11,792**
Period ended 30 April 2013	**$ 20,000**	**$ -**	**$ 11,442**	**$ -**	**$ 350**	**$ 31,792**

b) Exploration and Evaluation Properties

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many exploration and evaluation assets.

i) Green Springs (Nevada) and Kings Canyon (Utah)

On 08 February 2012, the Company amended the terms of an agreement dated 09 May 2006 with Palladon Ventures Ltd. on the Green Springs and Kings Canyon projects. However, on 23 May 2012, the Company announced it has sold its share of the Kings Canyon Project (the "Project") located in Utah. The Company and Palladon have closed a transaction giving Geomark Exploration Ltd. control over 100% of the Project. Geomark has paid each of the Company and Palladon $162,500 and assumed the existing option the Company had with Crown Resources Ltd. and acquired a 100% interest in claims surrounding the Crown Resources land. The Company has recognized a gain on sale of $64,490.

On 14 February 2013, the Company announced that it will not be continuing with its option on the Green Springs gold property in Nevada. The Company received $50,000 for the early termination of the option.

ii) Ganes Creek Property (Alaska)

By an agreement dated 21 January 2011, the Company was granted an option to acquire a 100% interest in one hundred and nine state mining claims and ninety patented mining claims located in Seward Meridian, Alaska. The Company terminated this agreement during the period ended 31 October 2012 and wrote off the Company's investment in this property at 31 July 2012.

iii) Candle Hills Property (Alaska)

By an agreement dated 22 June 2011, the Company was granted an option to acquire a 100% interest in sixty-one Prospecting Sites located in Seward Meridian, Alaska. The Company terminated this agreement during the period ended 31 October 2012 and wrote off the Company's investment in this property at 31 July 2012.

iv) Millard County Property (Utah)

By an agreement dated 06 December 2006, the Company was granted an option to acquire a 100% interest in certain mineral claims located in Utah, USA. During the year ended 31 July 2009, management decided not to continue with its exploration program on these claims. However, during the year ended 31 July 2012, the Company issued 75,000 common valued at $5,750 with respect to this property to maintain its interest in the claims. The shares were valued at the market price on share issue date. No shares were issued during the nine month period ended 30 April 2013.

8) Related Party Transactions

Related party transactions and balances not disclosed elsewhere in the financial statements are as follows:

RELATED PARTY DISCLOSURE **Name and Principal Position**		**Remuneration or fees(1) ($)**	**Share-based Awards ($)**	**Included in accounts payable ($)**
A company controlled by the President and CEO – management fees	**2013**	67,500	-	67,500
	2012	67,500	-	7,500
A company controlled by the CFO – management fees	**2013**	22,500	-	11,059
	2012	35,579	3,000	2,500
A company controlled by the corporate secretary – professional fees	**2013**	14,768	-	3,570
	2012	25,228	3,000	1,355
A company controlled by the CFO – office rent	**2013**	9,000	-	-
	2012	-	-	-
A company with mutual directors – office rent	**2013**	4,500	-	-
	2012	13,500	-	-
Director – management fees	**2013**	45,000	-	70,600
	2012	45,000	-	20,600

(1) Amounts disclosed were paid or accrued to the related party during the nine months ended 30 April 2013 and 30 April 2012.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. During the nine month period ended 30 April 2013, aggregate remuneration of $149,768 (2012 – $126,886) was paid or accrued to key management personnel. Share-based payments of $Nil (2012 – $6,000) were granted to key management personnel.

The above transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed term of repayment.

9) Share Capital

a) Authorized:

The Company is authorized to issue 100,000,000 common shares without par value.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

Issued or allotted and fully paid:

During fiscal 2012, the Company issued 675,000 shares with an aggregate fair value of $54,750 for the acquisition of exploration and evaluation assets, details of which are disclosed in note (9).

b) Summary of stock option activity

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant, both in aggregate and in any one-year period. The maximum number of common shares reserved for issue to any one person other than employees conducting investor relation activities and any consultants under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant, both in aggregate and in any one-year period.

The number of options granted to all persons who are consultants or employed to perform investor relations activities shall not exceed 2% of the then issued and outstanding shares of the Company. Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company.

The stock option activity during the nine month period ended 30 April 2013 and the fiscal year ended 31 July 2012 is summarized as follows:

STOCK OPTION ACTIVITY	**30 April 2013**		**Weighted average exercise price**	31 July 2012		Weighted average exercise price
Balance – beginning of period	**2,215,000**	**$**	**0.26**	2,198,333	$	0.30
Granted	**-**		**-**	100,000		0.11
Expired	**(608,333)**		**0.24**	(83,333)		1.20
Balance – end of period	**1,606,667**	**$**	**0.27**	2,215,000	$	0.26

Details of stock options outstanding as at 30 April 2013 and 31 July 2012 are as follows:

Expiry Date		**Exercise Price**	**30 April 2013**		Exercise Price	31 July 2012
04 September 2013	**$**	**0.75**	**40,000**	$	0.75	40,000
02 October 2014		**0.48**	**66,667**		0.48	66,667
15 December 2015		**0.25**	**1,100,000**		0.25	1,200,000
03 February 2016		**0.34**	**200,000**		0.34	200,000
28 April 2016		**0.16**	**100,000**		0.16	100,000
08 November 2016		**0.11**	**100,000**		0.11	100,000
			1,606,667			2,215,000

The outstanding options have a weighted-average exercise price of $0.27 (31 July 2012 - $0.18) and the weighted-average remaining life of the options is 2.61 (31 July 2012 – 2.77) years. As at 30 April 2013, 1,606,667 of the outstanding options had vested and are exercisable.

c) Share-based payments

For the nine month period ended 30 April 2013 and the fiscal year ended 31 July 2012, the Company issued stock options to its directors, officers, employees, and consultants and recognized stock-based compensation as follows:

		30 April 2013		31 July 2012
Total options granted		**-**		100,000
Average exercise price	**$**	**-**	$	0.11
Estimated fair value of compensation	**$**	**-**	$	6,000
Estimated fair value per option	**$**	**-**	$	0.06

Stock-based compensation for the options that vested during the nine month period ended 30 April 2013 and the fiscal year ended 31 July 2012 are as follows:

	30 April 2013	31 July 2012
Number of options vested	-	150,000
Compensation recognized	$ -	$ 8,000

The model inputs for options granted to employees during the period ended 30 April 2013 and the fiscal year ended 31 July 2012 include:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
15 Dec 2010	15 Dec 2015	$0.260	$0.250	2.45%	5	100%	0%
08 Nov 2011	08 Nov 2016	$0.090	$0.110	1.26%	5	100%	0%

i) Options issued to employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

ii) Options issued to non-employees

Options issued to non-employees, are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. Fair value was determined using hourly rates for such services.

d) Warrants

Warrant activity during the nine months ended 30 April 2013 and the fiscal year ended 31 July 2012 is summarized as follows:

WARRANT ACTIVITY	30 April 2013	Weighted average exercise price	31 July 2012	Weighted average exercise price
Balance – beginning of period	**9,672,170**	**$ 0.26**	10,234,170	$ 0.26
Expired	**(9,672,170)**	**0.26**	(562,000)	0.30
Balance – end of period [i]	**-**	**$ -**	9,672,170	$ 0.26

(i) The number of warrants is expressed in equivalent number of common shares, which may be issuable upon exercise of the warrants.

Details of warrants outstanding as at 30 April 2013 and 31 July 2012 are as follows:

Expiry Date	Exercise Price	30 April 2013	Exercise Price	31 July 2012
21 February 2013	$ -	-	$ 0.90	699,917
10 April 2013	-	-	0.90	2,008,750
03 December 2012	-	-	0.25	6,963,503
		-		9,672,170

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

10) Segmented Disclosure

The following table provides segmented disclosure on assets and liabilities as reviewed by management regularly:

Rounded to 000's		Canada		United States		Total
31 July 2012						
Current assets	$	116,000	$	2,000	$	118,000
Long-term Assets						
Equipment		8,000		14,000		22,000
Intangible assets		2,000		-		2,000
Exploration and evaluation assets and reclamation bonds		28,000		-		28,000
Liabilities						
Current liabilities		133,000		-		133,000
30 April 2013						
Current assets	$	18,000	$	2,000	$	20,000
Long-term Assets						
Equipment		5,000		9,000		14,000
Intangible assets		2,000		-		2,000
Liabilities						
Current liabilities		250,000		-		250,000

11) Capital Disclosure

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

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

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock. Capital raised is held in cash in an interest bearing bank account until such time as it is required to pay operating expenses or mineral property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the period ended 30 April 2013.