SENATOR MINERALS INC.

Interim Consolidated Financial Statements

for the quarter ended 31 March 2013

(Unaudited – see Notice to Reader. Expressed in Canadian dollars)

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NOTICE TO READER

Per National Instrument 51-102, Part 4, subsection 4.3(3)(a):

These unaudited consolidated interim financial statements and accompanying notes for the period ending 31 March 2013 have not been reviewed by the Company's auditors.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which were the accounting policies used to prepare the most recent audited annual financial statements of the Company.

We, the management, have compiled the consolidated statements of financial position of **SENATOR MINERALS INC** as at 31 March 2013 and 31 December 2012, and the consolidated statements of comprehensive loss and deficit, changes in shareholders' deficiency, and cash flows for the three month period ending 31 March 2013 from the books and records of the Company. Comparative figures for the corresponding periods in 2012 are provided.

In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results for the interim period presented.

Readers are cautioned that these interim financial statements may not necessarily include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the period ended 31 December 2012, and with the Management Discussion and Analysis prepared as of 30 May 2013.

Senator Minerals Inc.
Calgary, AB
30 May 2013

SENATOR MINERALS INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars. Unaudited – See Notice to Reader)

	Notes	31 March 2013	31 December 2012
ASSETS			
Current assets			
Cash		$ **456**	$ 1,601
Accounts receivable		**29,059**	2,070
Prepaid expenses		**1,262**	-
		30,777	3,671
Non-current assets			
Other investment	7	**25,000**	25,000
TOTAL ASSETS		**$ 55,777**	$ 28,671
LIABILITIES			
Current liabilities			
Loan payable	9, 13	**$ 259,600**	$ 233,000
Trade payables and accrued liabilities	13	**132,928**	128,539
TOTAL LIABILITIES		**392,528**	361,539
SHAREHOLDERS' DEFICIENCY			
Share capital	10	**6,826,151**	6,826,151
Reserve: warrants	11	**76,727**	76,727
Reserve: incentive stock options	11	**250,442**	250,442
Deficit		**(7,490,070)**	(7,486,188)
TOTAL SHAREHOLDERS' DEFICIENCY		**(336,750)**	(332,868)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$ 55,777**	$ 28,671

Nature and Continuance of Operations (note 1)

Commitments (note 15)

APPROVED BY THE DIRECTORS: "*RICHARD W GRAYSTON*" "*KEIR REYNOLDS*"

The accompanying notes are an integral part of these consolidated financial statements

SENATOR MINERALS INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended 31 March 2013 and 31 March 2012

(Expressed in Canadian dollars. Unaudited – See Notice to Reader)

		Three month periods ended	
	Notes	**31 Mar 2013**	31 Mar 2012
Exploration expenditures Acquisition, Maintenance, and Exploration (Schedule A)		**$ (2,800)**	$ 325
General and Administrative expenses			
Communications	13	**1,178**	1,433
Filing and listing fees		**5,200**	5,200
Interest on loan	13	**5,595**	3,394
Management fees	13	**11,625**	31,125
Occupancy	13	**1,800**	5,920
Office and general	13	**432**	1,039
Professional fees	13	**4,462**	4,563
Promotion		**-**	23
Shareholder information		**77**	-
Transfer agent		**1,241**	2,500
Travel		**73**	18
Total: General and Administrative Expenses		**31,683**	55,214
Other items			
Property option payments	8	**25,000**	25,000
Other			3,265
Net Loss for the first quarter		**3,883**	**27,274**
Other comprehensive loss (income)		**-**	-
Total comprehensive loss for the period		**$ 3,883**	$ 27,274
Income (Loss) per share – basic and diluted		**$ (0.000)**	**$** 0.001
Weighted average number of shares outstanding – basic and diluted		**46,092,583**	**46,092,583**

The accompanying notes are an integral part of these consolidated financial statements

SENATOR MINERALS INC.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY

For the three months ended 31 March 2013 and 31 March 2012

(Expressed in Canadian dollars. Unaudited – See Notice to Reader)

	Share capital		Reserves					
	Number of shares	Amount	Subscriptions Receivable	Warrants	Incentive Stock Options	Marketable Securities	Deficit	Total
Balance at 1 January 2012	46,092,583	6,826,151	-	76,727	250,442	-	(7,399,166)	(245,846)
Comprehensive loss – Q1 2012	-	-	-	-	-	-	(27,274)	(27,274)
Balance at 31 March 2012	46,092,583	6,826,151	-	76,727	250,442	-	(7,426,440)	(273,120)
Balance at 1 January 2013	46,092,583	$ 6,826,151	$ -	$ 76,727	$ 250,442	$ -	$ (7,486,188)	$ (332,868)
Comprehensive loss – Q1 2013	-	-	-	-	-	-	(3,883)	(3,883)
Balance at 31 March 2013	46,092,583	$ 6,826,151	$ -	$ 76,727	$ 250,442	$ -	$ (7,490,070)	$ (336,751)

The accompanying notes are an integral part of these consolidated financial statements

V.

SENATOR MINERALS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended 31 March 2013 and 31 March 2012
(Expressed in Canadian dollars. Unaudited – See Notice to Reader)

	Three month periods ended	
	31 Mar 2013	31 Mar 2012
Operating activities		
Net income (loss)	**$ (3,883)**	$ (27,274)
Adjustments for non-cash items:		
Accrued interest on loan	**5,595**	3,394
	-	-
Changes in non-cash working capital items:		
Receivables	**(26,989)**	(3,834)
Prepaid expenses	**(1,290)**	-
Trade payables and accrued liabilities	**(1,177)**	(705)
Net cash flows from (used in) operating activities	**(27,744)**	(28,420)
Investing activities		
Proceeds on sale of marketable securities	**-**	-
Net cash flows from investing activities	**-**	-
Financing activities		
Loan, net proceeds (repayment)	**26,600**	27,500
Subscriptions received	**-**	-
Net cash flows from (used in) financing activities	**26,600**	27,500
Change in cash	**(1,144)**	(920)
Cash, beginning	**1,601**	2,067
Cash, ending	**$ 456**	$ 1,147

The accompanying notes are an integral part of these consolidated financial statements

1. Nature and Continuance of Operations

Senator Minerals Inc (the "Company"), listed on the TSX-Venture Exchange ("TSX-V"), is an Ontario corporation with its head office and its registered office located at 418 East 14th Street, North Vancouver, BC, Canada V7L 2N8.

The Company is involved in acquisition, exploration, and disposition of mineral exploration property interests in North America. The Company has not yet determined whether any of these properties contain economic reserves.

The accompanying consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon the motivation of its management and its ability to arrange adequate financing to develop its mineral properties and ultimately to commence profitable operations in the future. The Company is considered to be in the exploration stage. The Company has accumulated losses of $7,490,070 since inception and a working capital deficiency at 31 March 2013 of $361,751 (31 Dec 2012 $357,868).

Management is aware that material uncertainties exist, related to current economic conditions, which could adversely affect the Company's ability to continue to finance its activities. As there are insufficient cash reserves to conduct planned programs and continue operations for the coming twelve months, in order to carry out its operations and administration, the Company will need to generate working capital through a combination of optioning out properties, arrangements with lenders or creditors, and arrangement of additional equity financing. These material uncertainties give rise to significant doubt about the Company's ability to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These financial statements do not give effect to adjustments that might be necessary to the carrying values, classification of assets and liabilities, and reported expenses, should the Company be unable to continue as a going concern.

2. Significant Accounting Policies and Basis of Preparation

The financial statements were authorized for issue on 30 May 2013 by the directors of the Company.

(a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

2. Significant Accounting Policies and Basis of Preparation (continued)

(a) Statement of Compliance and Basis of Preparation

The statements are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These unaudited interim financial statements do not necessarily include all of the information required in the audited annual financial statements, and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements for the year ended 31 December 2012.

The consolidated interim financial statements of the Company are expressed in Canadian dollars, have been prepared on an accrual basis, and are based on historical costs, modified where applicable. Up to 2010, consolidated financial statements of the Company were presented in accordance with Canadian generally accepted accounting principles ("GAAP"). These current IFRS-based comparative statements have been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(b) Consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries, after the elimination of all material intercompany balances and transactions. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceased. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The Company's controlled subsidiaries included in these consolidated financial statements are:

Name	Country of Incorporation	Ownership
515427 BC Ltd.	Canada	100%
Senator Minerals US Inc.	USA	100%

Senator Minerals US Inc., a Nevada property holding company incorporated on 12 May 2004. There were no significant transactions in 515427 BC Ltd. during the current or previous year.

(c) Use of Estimates and Assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Significant areas that could require the use of management estimates relate to impairment considerations for receivables and the recoverability of deferred income tax assets. Where estimates have been used, financial results as determined by actual events could differ from those estimates.

(d) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category involves financial instruments held for the purpose of selling them in the short term. All of the financial instruments in this category meet the definition of financial assets held for trading.

Derivatives are included in this category, unless they are designated as hedges. The instruments classified in this category are classified in current assets and include cash and cash equivalents. The financial instruments included in this category are initially recognized at fair value and the transaction costs are expensed to the statement of comprehensive income (loss).

Subsequently, financial assets at fair value through profit or loss are measured at fair value and all gains and losses, realized and unrealized, measured on the basis of market transactions, are recognized directly in the statement of comprehensive income (loss). The Company has no financial assets classified as fair value through profit or loss.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company's financial assets classified as loans and receivables consist of cash and other investment.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method.

If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive income (loss). The Company has no financial assets classified as held-to-maturity investments.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive income (loss). The Company's marketable securities were classified as available-for-sale assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative liabilities consist of trade payables and loan payable.

Derivative liabilities are classified as fair value through profit or loss. The Company has no derivative assets or liabilities.

(e) Mineral properties

Exploration and evaluation expenditures are expensed as incurred. If it is determined by management that probable future benefits, consisting of contributions to future cash inflows, had been identified and adequate financial resources were expected to be available to meet the terms of property acquisition and budgeted maintenance,

exploration, and development expenditures, these costs would be capitalized. To date, these criteria have not been met on any of the Company's mineral properties.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments for acquired mineral properties are recorded as property costs and expensed. Proceeds greater than any capitalized costs of properties that are sold or optioned are recorded as revenues.

(f) Asset retirement obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As of 31 March 2013, the Company does not have any asset retirement or environmental obligations.

(g) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in statement of comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill that is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Share-based payments

Share-based payments to employees are to be measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are to be measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the incentive stock options reserve.

The fair value of options is determined using the *Black-Scholes (“B-S”) Option Pricing Model*. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(i) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company and its subsidiaries is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income (loss).

Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction, whereas non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are recognized in the statement of comprehensive income (loss) in the period in which they arise. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in the statement of comprehensive income (loss), any exchange component of that gain or loss is recognized in also recognized in the statement of comprehensive income (loss).

3. Recent Accounting Pronouncements

Certain accounting standards and interpretations are issued but which are yet required to be adopted as follows:
New standard IFRS 9 "Financial Instruments"
In November 2009, the IASB issued IFRS 9 which will replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

This new standard is effective for annual periods beginning on or after 1 January 2015.

New standards IFRS 10 "Consolidated Financial Statements" and IFRS 12 "Disclosure of Interests in Other Entities"

In May 2011, the IASB issued IFRS 10 "Consolidated Financial Statements" and IFRS 12 "Disclosure of Interests in Other Entities". IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This IFRS defines the principle of control and establishes control as the basis for determining which entities are consolidated in an entity's consolidated financial statements. IFRS 10 sets out three elements of control: a) power over the investee; b) exposure, or rights, to variable returns from involvement with the investee; and c) the ability to use power over the investee to affect the amount of the investors return. IFRS 10 sets out the requirements on how to apply the control principle. IFRS 12 outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flows. IFRS 10 and IFRS 12 supersede IAS 27 "Consolidated and Separate

Financial Statements" and Standing Issues Committee ("SIC") 12 "Consolidation – Special Purpose Entities".

IFRS 10 and IFRS 12 are effective for annual periods beginning on or after 1 January 2013.

New standard IFRS 11 "Joint Arrangements"

In May 2011, the IASB issued IFRS 11 "Joint Arrangements", which provides guidance on accounting for joint arrangements. If an arrangement has joint control, IFRS 11 classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved.

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities relating to the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties have rights to the net assets of the arrangement. A joint venture is accounted for using the equity method. Proportionate consolidation is no longer permitted.

This standard is effective for annual periods beginning on or after 1 January 2013.

New standard IFRS 13 "Fair Value Measurement"

In May 2011, the IASB issued IFRS 13 "Fair Value Measurement". This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement so assumptions that market participants would use should be applied in measuring fair value.

IFRS 13 is effective for annual periods on or after 1 January 2013. This IFRS is to be applied prospectively as of the beginning of the annual period in which it is initially applied and the disclosure requirements do not need to be applied in comparative periods before initial application.

Amendments to IAS 1 "Presentation of Financial Statements"

In June 2011, the IASB and the Financial Accounting Standards Board (FASB) issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI").

The IASB issued amendments to IAS 1 "Presentation of Financial Statements" to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing

requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The amendments to IAS 1 are set out in *Presentation of Items of Other Comprehensive Income* and are effective for annual periods beginning on or after 1 July 2012.

Interpretation 20—Stripping Costs in the Production Phase of a Surface Mine

In October 2011, the IASB issued an Interpretation clarifying the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how the assets should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after 1 January 2013.

The Company has not early-adopted these revised standards and is not anticipating that these standards will have a significant impact on future consolidated financial statements.

4. Capital Management

The Company is not subject to externally imposed capital requirements but must remain active in order to maintain its TSX-V listing. The Company manages its capital structure based on the funds available to the Company, in order to support acquisition, maintenance, exploration, and development of mineral properties.

The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed.

There have been no changes to the Company's approach to capital management during the year.

5. Risk Management

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation as well as fluctuations in commodity-based market prices associated with resource property interests. While management actively ensures that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements, there is no certainty that all environmental risks and contingencies have been addressed.

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. In the event of a large equity capital injection, the Company's primary exposure to credit risk would be in its cash accounts. This risk is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies. The Company's is also exposed to credit risk on its other investment which relates to amount due from a private junior mineral exploration company.

Currency Risk: Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as it may incur significant mineral property-related expenditures in the USA giving rise to US dollar denominated trade payables. In addition, the Company's other investment is denominated in US dollars. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk: The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its loan payable.

Liquidity and Funding Risk: Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash or credit lines in order to meet its liquidity requirements. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

6. Fair Values of Financial Instruments

The carrying value of the Company's financial instruments approximates their fair value.

7. Other Investment

Other investment is composed of "Special Warrants" that give the Company the right to the equivalent number of shares of IDH Gold LLC ("IDH Gold") that are worth $US 25,000 pursuant to the option agreement entered into between the Company and IDH Gold on March 6, 2012 relating to the Rosebud property (Note 8(d)). The Special Warrants will be automatically converted into common shares of IDH Gold worth $US 25,000 upon the third day following IDH Gold's common shares being listed on a recognized Canadian or United States stock exchange, or IDH Gold completing a sale, joint venture or similar transaction with regards to the Rosebud property and raising at least $US 2,000,000. In the event that the Special Warrants are not converted to common shares by March 13, 2014, then IDH is required to pay the Company $US 25,000 cash. As the probability of the conversion of the Special Warrants is uncertain, the Company has classified the amount as a non-current receivable. The impact of discounting for the time value of money has been determined to be immaterial.

8. Mineral Properties

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company has investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

At 31 March 2013, the Company owns or has royalty interests in the following mineral property interests:

(a) Taurus, southeastern Alaska:

In September 2004, the Company acquired a 100% interest in the 33 claim Taurus property in southeastern Alaska by way of staking.

In 2013, the total expended is $nil (2012: $8,231) on maintenance and exploration. The claims are in good standing with the State of Alaska until 30 November 2013.

At 31 March 2013, the Company owns or has lease options on the following mineral property interests:

(b) IC Bentonite, Nevada:

In 2008, the Company arranged the staking of seven placer claims to cover a bentonite deposit of undetermined size. In April 2012, the Company completed its sale of its 50% interest in the IC Bentonite property for $100. The Company will retain a 3% Production Royalty in the property.

In 2013 and 2012, the total expended on maintenance and exploration was $nil.

(c) Rosebud property, Arizona

In May 2011, the Company, through staking, acquired a 100% interest in the Rosebud property. On 6 March 2012, the Company entered into an option agreement in which it gave IDH Gold the right to earn a 100% interest in the Rosebud property, net of a 2% NSR. Payments in US$ under the option agreement are as follows:

	Cash payments	Value of common shares (or equivalents) of IDH Gold	
Initial payment on signing (received)	$ 15,000	$ 25,000	(Note 7)
March 6, 2013 (received in Apr 2013)	15,000*	35,000	
March 6, 2014	25,000	25,000	
March 6, 2015	75,000	75,000	
	$ 130,000	$ 160,000	

*Amount was received subsequent to 31 March 2013.

8. Mineral Properties (continued)

(c) Rosebud property, Arizona (continued)

If IDH Gold exercises its rights under the option, the Company will retain a 3% NSR in the property. IDH Gold has the right to acquire one of the three NSR points by paying $110,000, by an initial payment of $10,000 (received), and payments of $10,000 on the 1st (received subsequent to 31 March 2013), $20,000 on the 2nd, $30,000 on the 3rd, and $40,000 on the 4th anniversary. The fair value of the total consideration received during the year ended December 31, 2012 of $50,000 (2011: $Nil) has been recognized as income in the statement of comprehensive income (loss).

In 2013, the Company spent $nil on maintenance and exploration (2012: $3,179). The property is in good standing until 31 August 2013.

Other Property Interests (Net Smelter Returns)

(d) Key and Okey Properties, Liard M.D., British Columbia

Pursuant to option agreements dated 17 May 2001, the Company acquired the right to earn a 50% interest, net of a 3% NSR, in the Key and Okey properties in the Liard Mining District, British Columbia. On 21 December 2004, the Company effectively cancelled its agreements to acquire the Key and Okey properties by selling its options to earn a 50% interest in each property through an option agreement with the non-arm's-length original vendor to another company.

The Company held a 1% NSR in each of the Key and Okey properties until December 2011, at which time it sold both NSR's to a non-arms-length party for $400,000 (Note 13). The Company retained a right to repurchase the NSR's for $400,000 until 30 June 2012, at which time that right lapsed.

Properties Allowed to Lapse

(e) King Dome, Yukon

In December 2010, the Company entered into an arms-length option agreement to acquire a 100% interest, net of a 3% NSR, in a gold-VMS target in south-central Yukon. Consideration included an initial cash payment of $50,000 and a commitment to issue 500,000 common shares valued at $35,000.

As ongoing obligations to maintain the option were projected to be beyond the Company's capacity to fund, the option was cancelled in December 2011.

(See Schedule A - Summary of the 2013, 2012 and 2011 acquisition, maintenance, and exploration expenditures and reimbursements for each property.)

9. Loan Payable

In July of 2003, the Company entered into a revolving arms-length arrangement with a private lender for an unsecured line of credit of up to $100,000 (amended in June 2010 to $500,000) repayable on demand or out of the equity financings undertaken by the Company. Interest was payable at 1% per month on any outstanding month-end balance. In December 2011, the balance and the line of credit were assigned to an officer of the Company and the interest rate was reduced to 0.75% per month and the line of credit was reduced to $250,000 (Note 13). That arrangement remains in place as of 31 March 2013, with a balance of $259,600 (31 Dec 2012: $233,000).

10. Share Capital

(a) Authorized:

Unlimited number of common shares without par value
Unlimited number of special shares issuable in series without par value

(b) Common shares issued:

At 31 March 2013, there were 46,092,583 issued and fully paid common shares (2012: 46,092,583).

There were no common share transactions during the year ended December 31, 2012.

Last shares issued:
During the year ended December 31, 2011, pursuant to an option agreement on the King Dome property, the Company issued 500,000 common shares with a fair value of $35,000.

(c) Warrants

There were no warrants outstanding as at 31 Mar 2013 or 31 Dec 2012 and 2011, and no warrants issued, forfeited or expired during the years then ended.

(d) Stock Options

The Company has a rolling incentive stock option plan that can reserve a maximum of 10% of the issued shares of the Company at the time of the stock option grant with no vesting provisions, but including the following terms:

<> Each incentive share purchase option is personal to the grantee and may be neither assigned nor transferred to anyone else;
<> Individual incentive share purchase options will have no more than a maximum term of five (5) years from the date of their grant;

<> Incentive share purchase options granted to any one individual in any 12 month period can not exceed 5% of the issued and outstanding shares of the Company;
<> Individual incentive share purchase options granted to any one consultant in any 12 month period shall not exceed 2% of the issued and outstanding shares of the Company; and
<> Individual incentive share purchase option agreements granted to an employee conducting investor relations activities will not exceed an aggregate of 2% of the issued and outstanding shares of the Company in any 12 month period.

There were no stock options outstanding as at 31 Mar 2013 or at 31 Dec 2012 and 2011, and no stock options granted, forfeited or expired during the years then ended.

11. Reserves

(a) Reserve: Warrants

This reserve records the incremental increase in the fair value of outstanding warrants resulting from a re-pricing.

(b) Reserve: Incentive stock options

This reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amounts recorded could potentially be transferred to deficit but the Company has elected to maintain them in the stock option reserve account.

12. Income Taxes

The provision for income taxes differs from the amount that would have resulted in applying Canadian federal and provincial statutory rates as follows:

	Years ended	
	31 Dec 2012	31 Dec 2011
Net income (loss)	$ (87,022)	$ 66,610
Statutory tax rate	25.0%	26.5%
Expected income tax expense (recovery)	$ (21,756)	$ 17,652
Non-deductible items and other	-	2,279
Effect of reduction in tax rates	-	(1,259)
Deferred taxes not recognized	21,756	(18,672)
Income tax expense (recovery)	$ -	$ -

The following summarizes the expiry of deductible temporary differences for which no deferred tax asset has been recognized.

	Non-capital losses	Exploration related tax pools	Share issue costs	Capital losses
2014	$ 291,843	$ -	$ -	$ -
2015	179,302	-	-	-
2026	356,418	-	-	-
2027	170,604	-	-	-
2028	251,612	-	-	-
2029	137,363	-	-	-
2030	272,122	-	-	-
2032	73,296	-	-	-
No expiry	-	1,900,619	1,793	132,554
	$ 1,732,559	$ 1,900,619	$ 1,793	$ 132,554

Due to the uncertainty of realization of these deductible temporary differences, the potential benefits have not been reflected in the financial statements because the Company has provided a full valuation allowance.

13. Related Party Transactions and Balances

Related Party Transactions:

During the three months ended 31 Mar 2013, the aggregate amount of expenditures made to parties not at arm's length to the Company consists of the following:

(a) The Company paid rent, communications, office, and bookkeeping services in the amount of $11,280 (2012: $11,280) to a company controlled by a director and an officer of the Company;

(b) The Company incurred interest expense on a loan payable to a director and officer of the Company in the amount of $5,595 (2012: $3,394) (Note 9).

Key Management Compensation:

Key management compensation in the first quarter of 2013 consisted of management fees in the amount of $10,500 (2012: $30,000) paid to a company controlled by a director and an officer of the Company.

Related Party Balances:

	31 Mar 2013	31 Dec 2012
Included in accounts payable and accrued liabilities:		
- Director and officer of the Company	$ -	$ 578
-		
- Director and officer of the Company – Loan interest	61,907	56,312
- Company with director in common	-	-
Included in loan payable (Note 9)		
- Director and officer of the Company	259,600	233,000
	$ 321,507	$ 289,890

14. Segmented Information

During the period covered by these financial statements, the Company had one reportable operating segment, being the acquisition, exploration, and disposition of interests in mineral properties.

At 31 March 2013 and at 31 December 2012 and 2011, all of the Company's recorded assets were located in Canada.

15. Commitments

The Company has an office and service agreement with a company controlled by a director and an officer of the Company. The terms of the agreement require the Company to pay $1,315 per month, with a time limitation tied to the term of the president's tenure. The monthly payment includes $375 per month for administrative services which has been included in management fees.

The Company has a management services agreement with a company controlled by a director and an officer of the Company. That agreement required the Company to pay $10,000 per month, continuing for the duration of the president's tenure, but was voluntarily modified to $3,500 per month in September 2012.

16. Subsequent Events

Subsequent to 31 March 2013, a group of investors was identified that are prepared to assist in reorganizing the Company. It is not presently known what business, organizational, and/or management changes may be necessary to complete this reorganization. To date this group has advanced $77,000 to the Company on an unsecured basis to provide working capital to complete these efforts.

The commitments described in Note 15 were ended at the end of April.

SCHEDULE "A" – Mineral Property Expenditures

	Property	Acquisition	Maintenance	Exploration	Total
2013 (three months only)	Taurus	$ -	$ -	$ -	$ -
	Rosebud	-	(2,800)	-	(2,800)
	Mustang	-	-	-	-
	Total Expenditures	$ -	$ (2,800)	$ -	$ (2,800)
2012	Taurus	$ -	$ 8,231	$ -	$ 8,231
	Rosebud	-	2,855	324	3,179
	Mustang	-	3,528	-	3,528
	Total Expenditures	$ -	$ 14,614	$ 324	$ 14,938

	Property	Acquisition	Maintenance	Exploration	Total
2011	Taurus	$ -	$ 9,282	$ 5,346	$ 14,628
	IC Bentonite	-	1,250	841	2,091
	King Dome	35,000	-	-	35,000
	Rosebud	13,111	2,839	2,640	18,590
	Mustang	5,556	-	539	6,095
	Total Expenditures	$ 53,667	$ 13,371	$ 9,366	$ 76,404