SHANE RESOURCES LTD.
Suite 1201A, 201 First Avenue South,
Saskatoon, SK
S7K 1J5

SHANE RESOURCES LTD.

Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2013

(Expressed in Canadian Dollars)

SHANE RESOURCES LTD.

UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian Dollars)

	March 31, 2013	December 31, 2012
ASSETS		
Current		
Cash	$ 952	$ 338
Receivables (Note 7)	1,311	4,035
Prepaid expenses	946	1,000
	3,209	5,373
Exploration and evaluation assets (Note 5)	435,100	435,100
	$ 438,309	$ 440,473
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 79,604	$ 63,419
EQUITY		
Capital stock (Note 6)	6,725,012	6,725,012
Other equity reserve (Note 6)	541,401	541,401
Deficit	(6,907,708)	(6,889,359)
	358,705	377,054
	$ 438,309	$ 440,473

Nature of operations (Note 1)
Going Concern (Note 2)
The accompanying notes are an integral part of the condensed interim financial statements.

Approved and authorized by the Board of Directors on May 28, 2013:

"KYLE KOZUSKA"
Director

"MICHAEL DER"
Director

SHANE RESOURCES LTD.

UNAUDITED CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the three months ended March 31, 2013	March 31, 2012
Administration costs		
Bank charges	$ 102	$ 195
Filing fees	5,233	5,200
Insurance	3,000	3,000
Management and consulting fees (Note 7)	7,500	8,050
Office expense	(94)	295
Premises expense	150	3,150
Professional fees	3,570	1,036
Promotion	-	1,710
Telecommunications	75	270
Transfer agent	813	1,724
Travel and accommodation	-	90
	(20,349)	(24,720)
Other income (Note 7)	2,000	7,000
Net loss and comprehensive loss for the period	(18,349)	(17,720)
Loss per share - basic and diluted	$ (0.001)	$ (0.001)
Weighted average common shares	26,490,750	26,240,750

The accompanying notes are an integral part of the condensed interim financial statements.

SHANE RESOURCES LTD.

UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the three months ended March 31, 2013	March 31, 2012
Cash flows provided by (used in) operating activities		
Net loss for the period	$ (18,349)	$ (17,720)
Non-cash working capital item changes:		
Receivables	2,724	(2,473)
Prepaid expenses	54	4,050
Accounts payable and accrued liabilities	16,185	821
	614	(15,322)
Increase/(Decrease) in cash	614	(15,322)
Cash, beginning of period	338	15,421
Cash, end of period	$ 952	$ 99
Cash (paid) received during the period for income taxes and interest	$ -	$ -

There were no non-cash transactions affecting cash flows from operating, investing, and financing activities for the three months ended March 31, 2013 and 2012.

The accompanying notes are an integral part of the condensed interim financial statements.

SHANE RESOURCES LTD.

UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Other Equity Reserve	Deficit	Total Equity
Balance December 31, 2011	**26,240,750**	**$ 6,670,238**	**$ 502,503**	**$ (6,736,155)**	**$ 436,586**
Loss for the period	-	-	-	(17,720)	(17,720)
Balance March 31, 2012	**26,240,750**	**$ 6,670,238**	**$ 502,503**	**$ (6,736,875)**	**$ 418,866**
Balance December 31, 2012	**26,490,750**	**$ 6,725,012**	**$ 541,401**	**$ (6,889,359)**	**$ 377,054**
Loss for the period	-	-	-	(18,349)	(18,349)
Balance March 31, 2013	**26,490,750**	**$ 6,725,012**	**$ 541,401**	**$ (6,907,708)**	**$ 358,705**

The accompanying notes are an integral part of the condensed interim financial statements.

1. Nature of Operations

Shane Resources Ltd. (the "Company") is a corporation continued under the laws of Saskatchewan and has its common shares listed on the TSX Venture Exchange.

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether these properties contain any resources or any reserves which are economically recoverable.

To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

2. Going Concern

These financial statements of the Company have been prepared using International Financial Reporting Standards ("IFRS") on a going-concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities other than in the normal course of business and at amounts which may differ from those shown in the financial statements.

The amounts shown as exploration and evaluation assets represent costs net of recoveries to date, less amounts written off, and do not represent present or future values. Recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of resources, the conversion thereof to economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and evaluation of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

Ownership in mineral interests 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 conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

As of March 31, 2013, the Company does not have sufficient cash on hand for settlement of its obligations. The Company intends to raise capital by future financings. However, the low price of the Company's common shares and current market conditions makes it difficult to raise funds by private placements of shares. These conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. Basis of Presentation

These financial statements have been prepared in accordance with IFRS and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The 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 financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the Company's December 31, 2012 annual financial statements.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Critical accounting estimates and judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Critical Judgments

The preparation of our consolidated financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

3. Basis of Presentation (cont'd…)

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets or liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and liabilities, and deferred income tax provisions or recoveries could be affected.

Recoverability of exploration & evaluation assets

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain any mineral resources or reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

4. Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 4 to the audited financial statements for the year ended December 31, 2012, and have been consistently followed in the preparation of these condensed interim financial statements.

New standards and interpretations not yet adopted:

In November 2009 and October 2010, the IASB issued IFRS 9, Financial Instruments ("IFRS 9"), which represents the completion of the first part of a three-part project to replace IAS 39, Financial Instruments: Recognition and Measurement, with a new standard. Per the new standard, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income or loss section of the entity's statement of comprehensive loss, rather than within profit or loss. Additionally, IFRS 9 includes revised guidance related to the derecognition of financial instruments. IFRS 9 applies to financial statements for annual periods beginning on or after January 1, 2015, with early adoption permitted. The Company currently is evaluating any impact that this new guidance may have on its financial statements.

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (cont'd…)

New standards and interpretations not yet adopted: (cont'd…)

Amendments to IAS 32, *Financial Instruments: Presentation,* are effective for annual periods beginning on or after January 1, 2014. This provides for amendments relating to offsetting financial assets and financial liabilities. These amendments are not anticipated to impact the disclosures made by the Company.

5. Exploration and Evaluation Assets

The Company has acquired certain exploration and evaluation assets, the costs of which are as follows:

	Brownell Lake	Munro Lake	Pine East	Total
Balance December 31, 2012 and March 31, 2013	**$ 98,012**	**$ 172**	**$ 336,916**	**$ 435,100**

Cumulative Totals	Brownell Lake	Munro Lake	Pine East	Total
Acquisition costs	$ 39,202	$ 172	$ 78,149	$ 117,523
Drilling	58,810	-	258,767	317,577
Balance March 31, 2013	**$ 98,012**	**$ 172**	**$ 336,916**	**$ 435,100**

A. Brownell Lake

The Company owns a 100% interest in 2 claims in the Brownell Lake area of Saskatchewan. The property hosts a long zone of Copper-zinc mineralization.

B. Munro Lake

The Company owns a 1.6% interest in the Munro Lake area of Saskatchewan. No exploration activities have been conducted on the property.

C. Pine East

The Company owns a minimum 49% interest in this property, known as "Pine East" and Claude Resources Inc. ("Claude") owns a minimum 30% interest in the property, with the remaining interest subject to the terms of an option agreement dated June 7, 1999 (as amended). To date the Company has conducted a prospecting, stripping and trenching program on the property and Claude has conducted drill programs on this property.

(Expressed in Canadian Dollars)

6. Capital Stock and Other Equity Reserve

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares issuable in series. As at March 31, 2013, the Company had 26,490,750 common shares outstanding of which Nil (March 31, 2012 – 150,000) were held in escrow.

The Company did not issue any shares during the three month periods ended March 31, 2013 and 2012.

Stock Options

The Company has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Unless otherwise determined by the Board of Directors of the Company (the "Board"), the exercise price of options equals at least the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term in accordance with TSX Venture Exchange policy.

A summary of the Company's incentive stock options as at March 31, 2013 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2011	1,750,000	$ 0.21
Expired	(450,000)	0.50
Exercised	(250,000)	0.11
Forfeited	(550,000)	0.10
Granted	(850,000)	0.10
Outstanding, December 31, 2012	1,350,000	$ 0.11
Forfeited	(200,000)	0.11
Outstanding and exercisable, March 31, 2013	1,150,000	$ 0.11

Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining life (years)
800,000	$ 0.11	January 15, 2020	6.80
350,000	$ 0.10	April 13, 2022	9.04
1,150,000			

(Expressed in Canadian Dollars)

6. Capital Stock and Other Equity Reserve (cont'd…)

Options Granted

No options were granted during the three months ended March 31, 2013 and 2012, and as a result recorded no share-based compensation expense during the periods ended March 31, 2013 and 2012.

Warrants

The Company had no outstanding share purchase warrants as at March 31, 2013 and 2012.

Other Equity Reserve

Other equity reserve includes the value of all past stock options granted and vested.

7. Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the three months ended March 31,	
	2013	**2012**
Short-term benefits*	$ 7,500	$ 8,050
	$ 7,500	$ 8,050

*included in management and consulting fees

Other related parties

Other related parties include BlackSun Inc. where one owner is a former director for the Company, Star Uranium Corp. and United Uranium Corp., which share common directors and management with the Company.

(Expressed in Canadian Dollars)

7. Related Party Transactions (cont'd…)

Other related parties (cont'd…)

Transactions entered into with related parties other than key management personnel include the following:

	For the three months ended March 31, 2013	2012
BlackSun Inc.	$ -	$ 3,239
	$ -	$ 3,239

During the three months ended March 31, 2013 and 2012, the Company received premises rent and office administrative income from the following related parties:

	For the three months ended March 31, 2013	2012
Star Uranium Corp.	$ 1,000	$ 3,500
United Uranium Corp.	1,000	3,500
	$ 2,000	$ 7,000

As at March 31, 2013, receivables includes $Nil (December 31, 2012 - $1,750) due from United Uranium Corp. and $Nil (December 31, 2012 - $1,750) from Star Uranium Corp; companies sharing common directors.

As at March 31, 2013, accounts payable and accrued liabilities included $28,875 (December 31, 2012 - $21,000) due to a company owned by the CFO.

The amounts due to and from the related parties are non-interest bearing, with no fixed terms of repayment.

8. Financial Instruments and Capital Risk Management

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of the Company's receivables, and accounts payable and accrued liabilities approximate the carrying value, which is the amount on the condensed interim statement of financial position, due to their short terms to maturity, or ability of prompt liquidation. The Company's other financial instrument, cash, under the fair value hierarchy is measured at fair value, based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

8. Financial Instruments and Capital Risk Management (cont'd…)

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is all held at large Canadian financial institutions in interest bearing accounts. The Company has no investment in asset-backed commercial paper.

The Company's receivables consist mainly of receivables from related companies and GST/HST receivable due from the government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company, as of March 31, 2013 does not have sufficient cash on hand for settlement of its obligations. The Company intends to raise capital by future financings; however, the low price of the Company's common shares and current market conditions may make it difficult to raise funds by private placement of shares.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

   Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

   The risk that the Company will realize a loss as a result of a decline in the interest rate is low, as the Company has no investments with variable interest rates.

b) Foreign currency risk

   As at March 31, 2013, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

8. Financial Instruments and Capital Risk Management (cont'd…)

Market risk

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

9. Segmented Information

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. All of the Company's resource properties are located in Canada.