DATINVEST INTERNATIONAL LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Nine Months Ended September 30, 2012 and 2011

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim 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 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.

DATINVEST INTERNATIONAL LTD.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	**September 30, 2012 (Unaudited)**	December 31, 2011 (Audited)
ASSETS			
Current			
Cash and cash equivalents		**$ 695,997**	$ 763,690
Marketable securities	4	**10,625**	22,500
Other receivables	3	**20,701**	15,758
		727,323	801,948
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	**$ 19,123**	$ 37,172
Loans and borrowing	6	**66,000**	66,000
		85,123	103,172
SHAREHOLDERS' EQUITY			
Share capital	7	**3,221,875**	3,221,875
Contributed surplus	7	**123,624**	123,624
Deficit		**(2,703,301)**	(2,646,723)
		642,198	698,776
		$ 727,323	$ 801,948

Nature of Operations and Going Concern 1

Approved on behalf of the Board:

"Jason Birmingham"	***"Balraj Mann"***
Jason Birmingham, Director	Balraj Mann, Director

DATINVEST INTERNATIONAL LTD.
Condensed Interim Statements of Net and Comprehensive Income
For the Nine Months Ended September 30 2012 and 2011
(Unaudited - Expressed in Canadian Dollars)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2012	**2011**	**2012**	**2011**
Administrative Costs				
Bank charges and interest	**$ 21**	28	**$ 96**	117
Management fee – Note 8	**9,000**	5,000	**27,000**	15,000
Office and rent	**-**	236	**1,585**	652
Professional fees – Note 8	**1,350**	2,073	**4,412**	11,946
Transfer & filing fees	**2,064**	1,845	**11,610**	10,073
	(12,435)	(9,182)	**(44,703)**	(37,788)
Other items:				
Change in fair value of marketable securities	**625**	10,000	**(11,875)**	10,000
Net and comprehensive income (loss) for the period	**$ (11,810)**	$ 818	**$ (56,578)**	$ (27,788)
Loss per share	**$0.001**	$0.001	**$0.001**	$0.002
Weighted average number of shares outstanding	**19,793,100**	19,793,100	**19,793,100**	15,946,946

The accompanying notes are an integral part of these financial statements

DATINVEST INTERNATIONAL LTD.
Condensed Interim Statements of Changes in Shareholders' Equity
For the Nine Months Ended September 30 2012 and 2011 and January 1, 2011
(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, January 1, 2011	**12,100,792**	**$ 2,721,875**	**$ 123,624**	**$ (2,592,784)**	**$ 252,715**
Net loss for the period	-	-	-	(27,788)	(27,788)
Share issued - $0.065	7,692,308	500,000	-	-	500,000
Balance, September 30, 2011	19,793,100	3,221,875	123,624	(2,620,572)	724,927
Net loss for the period	-	-	-	(26,151)	(26,151)
Balance, December 31, 2011	19,793,100	3,221,875	123,624	(2,646,723)	698,776
Net loss for the period	-	-	-	(56,578)	(56,578)
Balance, September 30, 2012	**19,793,100**	**$ 3,221,875**	**$ 123,624**	**$ (2,703,301)**	**$ 642,198**

The accompanying notes are an integral part of these financial statements

DATINVEST INTERNATIONAL LTD.
Condensed Interim Statements of Cash Flows
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited - Expressed in Canadian Dollars)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2012	**2011**	**2012**	**2011**
Operating Activities:				
Net income (loss) for the period	**$ (11,810)**	$ 818	**$ (56,578)**	$ (27,788)
Non-cash items included in net loss				
Change in fair value of marketable securities	**(625)**	(10,000)	**11,875**	(10,000)
Changes in non-cash working capital				
Other receivables	**(1,432)**	(1,109)	**(4,944)**	(4,244)
Accounts payable and accrued liabilities	**2,254**	(6,947)	**(18,046)**	(12,163)
	(11,613)	(17,238)	**(67,693)**	(54,195)
Financing Activities				
Issuance of common shares	**-**	-	**-**	500,000
Increase (decrease) in cash during the period	**(11,613)**	(17,238)	**(67,693)**	445,805
Cash, beginning of the period	**707,610**	793,400	**763,690**	330,357
Cash, end of the period	**$695,997**	$776,162	**$695,997**	$776,162

Supplementary disclosure with respect to cash flows (Note 8)

The accompanying notes are an integral part of these financial statements

1. Nature of Operations

The Company was incorporated under the British Columbia Company Act on May 1, 1987.

The Company was unable to meet Tier Maintenance Requirements pursuant to the policies of the Exchange and was designated as Inactive on September 28, 2001. The Company's shares are trading under the symbol DAI.H and are regulated by the NEX policies.

The address of the Company’s corporate office and principal place of business is Suite 1000, 595 Burrard Street, British Columbia, Canada V7X 1S8.

These financial statements were authorized for issue on November 29, 2012 by the directors of the Company.

Going Concern

The recoverability of carrying amounts for resource property interests and related deferred exploration and development costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying resource properties, the ability of the Company to obtain necessary financing to complete exploration and development, and achievement of future profitable production or proceeds from disposition.

The Company’s financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. Certain conditions and events cast significant doubt on the validity of this assumption. For the period ended September 30, 2012, the Company reported a loss of $56,578 (2011: $27,788) and as at that date had an accumulated deficit of $2,703,301 (2011: $2,620,572). As at September 30, 2012, the Company had a net working capital of $642,198 (2011: $724,927). While in the past, the Company has been successful in obtaining funding from equity financings, option agreements, loans or through other arrangements, there is no assurance that these initiatives will be successful in the future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. Summary of Significant Accounting Policies

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements were approved for issuance by the board of directors on November 29, 2012.

b) Basis of Presentation

These financial statements were prepared on an accrual basis, except for cash flow, and are based on historical costs, except for certain financial instruments, which are measured at fair value.

2. Summary of Significant Accounting Policies - *continued*

c) Critical Accounting Estimates, Judgments and Uncertainties

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical Accounting Estimates and Assumptions

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

d) Functional and Presentation Currency

The Company's functional currency is the Canadian Dollar ("CAD"). The financial statements are presented in CAD which is the Company's presentation currency, unless otherwise noted.

All amounts in these financial statements are rounded to the nearest dollar.

e) Exploration and Evaluation Assets

Exploration and evaluation asset expenditures are capitalized once the legal right to explore a property has been acquired. Exploration and evaluation assets are recorded at cost less accumulated impairment losses. Direct costs related to the acquisition and exploration and evaluation of exploration and evaluation assets are capitalized until the commercial viability of the asset is established, at which time the capitalized costs are reclassified to mineral properties under development. To the extent that the expenditures are spent to establish ore reserves within the rights to explore, the Company will consider those costs as intangible assets in nature. The depreciation of a capital asset in connection with exploring or evaluating a property of this nature will be included in the cost of the intangible asset.

2. Summary of Significant Accounting Policies - *continued*

e) Exploration and Evaluation Assets - *continued*

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation asset expenditures incurred are deemed to be impaired. As a result, those exploration and expenditure asset costs, in excess of estimated recoveries, are written off to profit or loss.

Management reviews the facts and circumstances suggesting if the carrying amount of the exploration and evaluation assets exceeds their recoverable amount on a regular basis. If the facts and circumstances suggest the carrying value exceeds the recoverable amount, the Company will perform an impairment test on the property.

Exploration stage assets and development stage assets are considered separate cash generating units ("CGU") for impairment testing purposes.

The amount shown for exploration and evaluation assets does not necessarily represent present or future values. Recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

f) Income Taxes

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. 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 substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, 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 for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

g) Property, Plant and Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located.

2. Summary of Significant Accounting Policies - *continued*

g) Property, Plant and Equipment - *continued*

Depreciation is provided at rates calculated to amortize the costs of PPE less their estimated residual value, using the straight-line method over five years commencing from the year the assets are put into service.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit and loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

h) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. The Company does not have any decommissioning liabilities.

i) 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 period. Diluted earnings per share is computed similar to basic earnings (loss) 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. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

j) Financial Instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company’s cash and cash equivalents and marketable securities are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company has classified receivables as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are

2. Summary of Significant Accounting Policies - *continued*

j) Financial Instruments – *continued*

recognized in profit or loss. At September 30, 2012, the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. At September 30, 2012, the Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

k) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing price on the measurement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

l) Share-based Payments

The cost of incentive share options and other equity-settled share-based compensation and payment arrangements is recorded based on the estimated fair-value at the grant date and charged to earnings over the vesting period. Where incentive share options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by a charge to earnings, with a corresponding increase to contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

2. <u>Summary of Significant Accounting Policies</u> – *continued*

m) Cash Equivalents

Cash equivalents are highly liquid investments, such as term deposits with major financial institutions, having a term to maturity of three months or less at acquisition, that are readily convertible to specified amounts of cash.

n) Accounting Standards Issued But Not Yet Adopted

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013, except IFRS 9 which is after January 1, 2015 and IAS1 which is after July 1, 2012, with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

• IFRS 9 Financial Instruments was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

• IFRS 10 Consolidated Financial Statements requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

• IFRS 11 Joint Arrangements requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Nonmonetary Contributions by Venturers.

• IFRS 12 Disclosure of Interests in Other Entities establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity’s interests in other entities.

• IFRS 13 Fair Value Measurement is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is 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. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

(Unaudited - Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies – *continued*

n) Accounting Standards Issued But Not Yet Adopted – *continued*

• There have been amendments to existing standards, including IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

• IAS 1 Presentation of Financial Statements has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted.

3. Other Receivables

	September 30, 2012	December 31, 2011	September 30, 2011
Amounts due from the Government of Canada pursuant to HST input tax credits	**$ 20,701**	$ 15,758	$ 12,925

4. Marketable Securities

The Company's other investments, which are classified as held-for-trading have been valued at their market prices.

September 30, 2012		December 31, 2011		September 30, 2011	
Cost	**Fair Value**	Cost	Fair Value	Cost	Fair Value
$10,000	**$10,625**	$10,000	$22,500	$10,000	$15,000

The Company signed a Letter of Intent ("LOI") dated June 6, 2008 with Intuitive Exploration Inc. ("NTX") for the acquisition of all issued and outstanding shares of NTX, a British Columbia resource exploration company. A refundable deposit of $25,000 was paid on October 27, 2008 to Intuitive Exploration as part of the negotiation for a reverse takeover. The Company announced on December 29, 2008 that an agreement could not be reached and that the transaction would not proceed. The deposit was secured by a promissory note. Due to the contingency on collectability of this deposit, the Company decided to write it off in year 2008.

On August 12, 2010, the Company received 250,000 shares of Orestone Mining Corp. in settlement of the $25,000 owed by Intuitive Exploration Inc., which was acquired by Orestone on June 3, 2010. The Company classifies these shares as held-for-trading and, accordingly; any unrealized gains and losses in fair value are included in net income or loss for the period. On September 18, 2012, the shares of Orestone Mining Corp. was rolled back 4 for 1.

5. Accounts Payable and Accrued Liabilities

	September 30, 2012	December 31, 2011	September 30, 2011
Trade and other payables	**$ 19,123**	$ 23,732	$ 23,160
Accrued liabilities	**-**	13,440	-
Total	**$ 19,123**	$ 37,172	$ 23,160

(Unaudited - Expressed in Canadian Dollars)

6. Loans and Borrowings

As at September 30, 2012, the Company owes $66,000 (December 31, 2011: $66,000) to certain shareholders. The loans are without interest and are due on demand. Since these loans are non-interest bearing and have no fixed terms, their carrying costs approximate the amortized costs.

7. Share Capital and Contributed Surplus

(a) Authorized: Unlimited common shares without par value

(b) Issued and outstanding:

On May 17, 2011, the Company arranged a non-brokered private placement of up to 7,692,308 Units of the Company for gross proceeds of $500,000 at a price of $0.065 per Unit, each Unit consisting of one common share and one warrant, each warrant entitling the holder to purchase one additional share of the Company at a price of $0.10 per share for a period of twelve months.

The net proceeds from the private placement would be used for general working capital. No finder's fee were paid with respect to this financing.

(c) Warrants

As at September 30, 2012, the following warrants are outstanding:

December 31, 2011	Issued in the period	Exercised in the period	Expired in the period	**September 30, 2012**	Price	Expiry Date
7,692,308	-	-	(7,692,308)	**-**	$0.10	May 17, 2012 *

* Expired unexercised on May 17, 2012.

(d) Options

Options	**September 30, 2012**		**December 31, 2011**	
	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price
Outstanding, beginning of year	650,000	$ 0.20	650,000	$ 0.20
Granted	-	-	-	-
Expired/cancelled	(350,000)*	-	-	-
Exercised	-	-	-	-
Outstanding, end of period	300,000	$ 0.19	650,000	$ 0.20

(Unaudited - Expressed in Canadian Dollars)

7. <u>Share Capital and Contributed Surplus</u> – *continued*

(d) Options – *continued*

		September 30, 2012	**2011**
Expiry Date	Exercise Price	Number of Shares	Number of Shares
April 30, 2012	$ 0.215	-	350,000
June 2, 2013	$ 0.190	300,000	300,000
		300,000	650,000

* Expired unexercised on April 30, 2012.

There were no options granted during the periods ended September 30, 2012 and 2011.

8. <u>Supplementary Cash Flow Information</u>

There were no significant non-cash transactions of the Company for the periods ended September 30, 2012 and 2011.

9. Income Taxes

The Company has accumulated non-capital losses for Canadian income tax purposes of approximately $667,000 which expire in various years to 2030 as follows:

2014	83,000
2015	65,000
2026	67,000
2027	191,000
2028	132,000
2029	51,000
2030	50,000
2031	62,000
	$ 701,000

The Company also has capital losses of approximately $1,086,778 which may be carried forward indefinitely.

The reconciliation of income tax provision at statutory rates to the reported income tax provision is as follows:

	2011	2010
	26.5%	28.50%
Net loss for the year	(53,939)	(34,531)
Income tax benefits computed at Canadian statutory rates	$ 14,300	$ 14,250
Unrecognized tax losses	(14,300)	(14,250)
	$ -	$ -

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates are as follows:

(Unaudited - Expressed in Canadian Dollars)

9. Income Taxes – *continued*

	2011	2010
Future income tax assets		
Temporary differences in assets	$ 700	$ 700
Non-capital losses carried forward	175,000	167,000
Net capital losses carried forward	272,000	272,000
Cumulative resource development costs	15,000	15,000
	462,700	454,700
Valuation allowance for future income tax assets	(462,700)	(454,700)
Future income tax assets	$ -	$ -

The conditions required to recognize potential future tax assets based on establishment of likely future profitability have not been met. Accordingly, a 100% valuation allowance has been provided.

10. Related Party Transactions

During the period ended September 30, 2012, the Company was charged $27,000 (2011: 15,000) for management fees by its directors. At September 30, 2012, the Company owed $nil (2011: $5,600).

During the period ended September 30, 2012 the Company was charged $nil (2011 - $6,202) for legal services to a company related to a director. At September 30, 2012, the Company owed $14,421 (2011: $14,826).

11. Capital Risk Management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, contributed surplus and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

The Company has no business or operations and is currently reviewing new projects. As such, the Company is dependent on external financing to fund its activities. In order to pay for its operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

Management reviews its capital management approach on an ongoing basis.

12. Fair Value Measurement

The Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments Disclosures" requires disclosure of a three-level hierarchy for fair value measurements based upon the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data.

At September 30, 2012, the levels in the fair value hierarchy into which the Company's financial assets and liabilities measured and recognized in the balance sheet at fair value are categorized are as follows:

	Level 1	Level 2
Cash and cash equivalents	$ 695,997	-
Marketable securities	$ 10,625	-