PLANET MINING EXPLORATION INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

Date and Time:	March 15, 2013 at 11:00 a.m. (Vancouver time)
Place:	1055 West Georgia Street Royal Centre, Suite 1500 Vancouver, British Columbia V6E 4N7

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the proposed change of business described in this management information circular.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF PLANET MINING EXPLORATION INC.:

NOTICE IS HEREBY GIVEN that the annual general and special meeting of shareholders of Planet Mining Exploration Inc. (the "**Corporation**") will be held at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, on March 15, 2013 at 11:00 a.m. (Vancouver time) (the "**Meeting**") for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended March 31, 2012, together with the report of the auditors thereon;

2. to fix the number of directors of the Corporation for the ensuing year at six;

3. to elect directors of the Corporation for the ensuing year;

4. to appoint Cinnamon Jang Willoughby, Chartered Accountants as the auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors for the ensuing year;

5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, substantially in the form of the resolution set forth at Schedule "A" to the accompanying management information circular of the Corporation (the "**Circular**"), approving a change of business of the Corporation from a "junior mineral exploration company" to an "investment issuer" pursuant to the policies of the TSX Venture Exchange Inc., as more particularly described in the Circular;

6. to ratify and approve the continuation of the Share Option Plan of the Corporation dated November 8, 2011; and

7. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice of annual general and special meeting is the Circular and a form of proxy which should be read in conjunction with this notice of annual general and special meeting.

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the Circular accompanying this notice of annual general and special meeting. A proxy will not be valid unless it is deposited at the office of Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairperson of the Meeting has the discretion to accept proxies received after that time. Registered shareholders may also vote their proxies via telephone or the internet in accordance with the instructions set forth on the proxy.

The board of directors of the Corporation unanimously recommends that shareholders vote IN FAVOUR of the matters set forth in this notice of annual general and special meeting. In the absence of any instructions to the contrary, the common shares in the capital of the Corporation represented by proxies appointing the management designee(s) named in the accompanying form of proxy will be voted IN FAVOUR of the matters set forth in this notice of annual general and special meeting.

DATED at Vancouver, British Columbia, this 8th day of February, 2013.

BY ORDER OF THE BOARD OF DIRECTORS OF PLANET MINING EXPLORATION INC.

(signed) "David Birkenshaw"
David Birkenshaw
Chief Executive Officer and Director

If you are a beneficial shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

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GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Circular including the Summary and schedules attached hereto. Terms and abbreviations used in the Summary and schedules to this Circular may be defined separately and any subsequent definitions and abbreviations shall supersede the following definitions and abbreviations for the purposes of the Summary and schedules they are subsequently defined in.

(a) "**Beneficial Shareholder**" means holders of beneficial interests in Common Shares whose names do not appear in the Corporation's register of shareholders;

(b) "**BCBCA**" means the *Business Corporations Act* (British Columbia), as may be amended or replaced from time to time;

(c) "**Board**" means the board of directors of the Corporation;

(d) "**Change of Business**" means a transaction or series of transactions which will redirect an issuer's resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the issuer's market value, assets or operations, or which becomes the principal enterprise of the issuer;

(e) "**Circular**" means this management information circular of the Corporation dated as at February 8, 2013;

(f) "**Common Shares**" means the common shares in the capital of the Corporation;

(g) "**Computershare**" means Computershare Trust Company of Canada;

(h) "**Corporation**" or "**Planet Mining**" means Planet Mining Exploration Inc.;

(i) "**Exchange**" means the TSX Venture Exchange Inc.;

(j) "**Final Exchange Bulletin**" means the bulletin issued by the Exchange following closing of the Proposed COB and the submission of all Post-Approval Documents which evidences the final acceptance by the Exchange of the Proposed COB;

(k) "**Meeting**" means the annual general and special meeting of the shareholders of the Corporation to be held on March 15, 2013 at 11:00 a.m. (Vancouver time);

(l) "**Notice of Meeting**" means the notice of the Meeting of the Corporation dated February 8, 2013, which accompanies this Circular;

(m) "**Policy 2.2**" means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*;

(n) "**Policy 5.2**" means Exchange Policy 5.2 – *Change of Business and Reverse Takeovers*;

(o) "**Post-Approval Documents**" means the documents prescribed as such in Policy 5.2;

(p) "**Proposed COB**" means the proposed Change of Business of the Corporation from a "junior mineral exploration company" to an "investment issuer", as more particularly described in this Circular;

(q) "**Proxy**" means the form of proxy accompanying this Circular;

(r) "**Record Date**" means January 15, 2013, being the date set for determining which shareholders of the Corporation are entitled to receive notice of and vote at the Meeting;

(s) "**Registered Shareholder**" means a holder of record of Common Shares;

(t) “**Share Option Plan**” means the share option plan of the Corporation dated November 8, 2011; and

(u) “**Sponsor**” means Byron Capital Markets Ltd and has the meaning specified in Policy 2.2.

Words importing the singular include the plurals and vice versa and words importing any gender include all genders.

All references in this Circular to “dollars” or “$” are to Canadian dollars.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Circular (including the schedules attached hereto and the documents incorporated by reference herein) constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “goal”, “predict”, “potential”, “should”, “believe”, “intend” or the negative of these terms and similar expressions are intended to identify forward-looking information and statements. The information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information and statements. Such statements reflect the Corporation’s current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation’s actual results, performance, or achievements to vary from those described in this Circular (including the schedules attached hereto and the documents incorporated by reference herein). Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Circular as intended, planned, anticipated, believed, estimated, or expected.

The reader is further cautioned that the preparation of financial statements, including pro forma financial statements, in accordance with Canadian GAAP or IFRS or another accounting method, as the case may be, requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect as further information becomes available, and as the economic environment changes.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including: (a) with respect to the anticipated closing date of the Proposed COB, expectations and assumptions concerning timing of receipt of required shareholder and regulatory approvals and any applicable third party consents, if any, and the satisfaction of other conditions to the completion of the Proposed COB; and (b) expectations and assumptions concerning the success of the operation of the Corporation after completion of the Proposed COB.

With respect to the forward-looking statements contained herein, although the Corporation believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the Exchange not approving the Proposed COB; the Corporation’s lack of operating history as an investment company; portfolio exposure risks and sensitivity to macro-economic conditions; the availability of sources of income to generate cash flow and revenue; risks relating to investments in private issuers and illiquid securities; the volatility of the Corporation’s stock price; risks relating to the trading price of the Common Shares relative to net asset value; risks relating to available investment opportunities and competition for investments; the volatility of the share prices of investments in public companies; risks relating to the concentration of investments; the dependence on management, directors and the Investment Committee; risks relating to additional funding requirements; due diligence risks; exchange rate risks; risks relating to non-controlling interests; potential conflicts of interest; and potential transaction and legal risks, as more particularly described under the heading “*Risk Factors*” in this Circular.

The forward-looking statements contained in this Circular, including the documents incorporated by reference herein, identify additional factors that could affect the operating results and performance of the Corporation. We urge you to consider those factors. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements speak only as of the date of this Circular. The Corporation does not intend or assume any obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained from the SEDAR website at www.sedar.com or, on request, without charge from the Corporation at Suite 302, 750 West Pender Street, Vancouver, British Columbia V6C 2T7, Attention: Chief Executive Officer, via telephone: (604) 681-0084 or facsimile: (604) 681-0094.

The following documents filed with the various provincial securities commissions or similar authorities in Canada are specifically incorporated into and legally form an integral part of this Circular:

1. the audited financial statements of the Corporation, together with the accompanying notes thereto, as at and for the years ended March 31, 2012, 2011 and 2010, and the independent auditor's reports thereon, which are attached hereto as Schedule "B";

2. the management's discussion and analysis of the financial position and results of operations of the Corporation for the year ended March 31, 2012;

3. the unaudited condensed interim financial statements of the Corporation together with the accompanying notes thereto for the six months ended September 30, 2012 and 2011, which are attached hereto as Schedule "B"; and

4. the management's discussion and analysis of the financial position and results of operations of the Corporation for the six months ended September 30, 2012.

Any statement contained in a document incorporated by reference in this Circular or contained in this Circular is deemed to be modified or superseded, for purposes of this Circular, to the extent that a statement contained in this Circular or in any other subsequently filed document which also is to be incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Circular.

SUMMARY

The following is a summary of information relating to the Corporation contained elsewhere in this Circular assuming completion of the Proposed COB and should be read together with the more detailed information and financial data and statements contained elsewhere or incorporated by reference in this Circular. This Circular also deals with the election of directors, the appointment of an auditor and the approval of the Share Option Plan, which matters are not summarized in this Summary. This Summary is qualified in its entirety by the more detailed information and financial data appearing or referred to elsewhere in the Notice of Meeting and this Circular, including the schedules attached hereto. Certain capitalized words and terms used in this Summary are defined in the Glossary of Defined Terms above.

The Meeting

The Meeting will be held at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, on March 15, 2013, at 11:00 a.m. (Vancouver time), for the purposes set forth in the accompanying Notice of Meeting.

The Record Date for determining the shareholders of the Corporation eligible to receive notice of and to vote at the Meeting is 5:00 p.m. (Vancouver time) on January 15, 2013.

Purpose of the Meeting

At the Meeting, shareholders will be asked, in addition to voting on the election of directors, the appointment and remuneration of an auditor and the approval of the Share Option Plan, to consider and, if thought fit, to pass, with or without variation, an ordinary resolution, substantially in the form of the resolution set forth at Schedule "A" to this Circular, approving the Proposed COB of the Corporation from a "junior mineral exploration company" to an "investment issuer" pursuant to the policies of the Exchange.

Current Business of the Corporation

Planet Mining is currently in the business of acquiring, exploring and developing gold, copper, silver and other mineral properties, both directly and through joint ventures in Canada. The Corporation holds an interest in two mineral projects, being the Sidace Lake property located in the Red Lake gold district of Ontario and the Golden Loon property located in British Columbia.

To date, the Corporation has not generated significant revenues from operations and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continued operations of the Corporation are primarily dependent upon its ability to raise exploration financing from equity markets or by selling or optioning its resource properties.

Background to the Proposed COB

After a thorough evaluation of the Corporation's existing resources and a review of strategic options for the Corporation generally, the Corporation determined to refocus its business operations from a "junior mineral exploration company" to an "investment issuer". The Board believes that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize upon investment opportunities as an "investment issuer".

Upon completion of the Proposed COB, the Corporation's primary focus will be to seek returns through investments in the securities of other companies, as more particularly described herein. The Corporation will continue to review opportunities to extract residual value from its natural resources assets, provided the Corporation may abandon some or all of such assets if it determines appropriate.

Proposed Change of Business

Upon completion of the Proposed COB, the Corporation intends to become a diversified investment and merchant banking firm focused on the junior resource exploration market. The Corporation's proposed investment activities will primarily be in the resource sector. However, the Corporation may take advantage of special situations and merchant banking opportunities, as such opportunities arise, and make investments in other sectors which the Corporation identifies from time to time as offering particular value.

Investment Objective

The investment objective of the Corporation will be to provide investors with long-term capital growth by investing in a portfolio of undervalued resource companies.

Investment Strategy

In connection with the Proposed COB, Planet Mining intends to adopt an investment policy (the "**Investment Policy**") to govern its investment activities and strategy, a copy of which is attached hereto as Schedule "C".

Planet Mining expects that its investment portfolio will, from time to time, be comprised of securities of both public and private issuers in the precious metals, uranium and coal, oil and gas, base metals, potash, lithium and rare earths sectors. However, the Corporation may also endeavour to identify compelling investment opportunities in certain other sectors, including industrial metals, water, green energy, alternative energy and agriculture. Planet Mining expects its investments will encompass companies at all stages of development.

Planet Mining may invest in equity, debt and convertible securities, which the Corporation intends will be acquired and held both for long-term capital appreciation and shorter-term gains. The Corporation will try to identify junior companies that have resource prospects and potential, strong management teams and/or are involved with a segment of the market that is consistent with or otherwise complimentary to Planet Mining's macro position. A key aspect of the Corporation's investment strategy will be seeking undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends.

In the resource sector, the Corporation expects to invest in securities of issuers which have quality proven or prospective resources in locations which management believes are, or will become, amenable to development of the resource. In any other sectors, the Corporation expects to invest in securities of issuers which it believes have competitive advantages in an area with a large potential market. In both sectors, the Corporation will look for seasoned and capable management to be in place.

Notwithstanding the foregoing, the Corporation's investment objective, investment strategy and investment restrictions may be amended from time to time as approved by the Board. Additionally, notwithstanding the Investment Policy, the Board may, from time to time, authorize such additional investments outside of the disciplines set forth in this Circular as it sees fit for the benefit of the Corporation and its shareholders.

Nature of Involvement

Planet Mining primarily expects to be a passive investor. However, there may be situations in which the Corporation will seek a more active role by advising management of the investee company and/or placing one or more nominees on the board of directors of the investee company. In such situations, the Corporation intends to use its financial and management expertise to add or unlock value. Planet Mining may also structure an investment to assume a controlling or joint-controlling interest in a company, which may or may not involve the provision of advice to management and/or board participation.

Investment Evaluation Process

It is anticipated that the Corporation's investments will be carried out according to an opportunistic and disciplined process to maximize returns while minimizing risk, taking advantage of investment opportunities identified from the industry contacts of the Board, the officers of the Corporation and the members of an investment committee (the "**Investment Committee**") established by the Corporation. The Corporation will use a top-down and bottom-up investment approach to develop a macro view of a sector, build a position consistent with such view within that sector and devise an exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.

The Corporation intends to establish the Investment Committee to monitor its investment portfolio on an ongoing basis and to review the status of its investments. The Investment Committee will be subject to the direction of the Board, and will consist of at least three members. It is expected that such members will include directors and/or officers of Planet Mining, but the Corporation may also utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions. The members of the Investment Committee will be appointed by the Board, and members of the Investment Committee may be removed or replaced by the Board. It is currently contemplated that the initial Investment Committee will include each of David Birkenshaw, Antonio M. Ricci and Darold H. Parken.

All investments will be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Corporation's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Composition of Investment Portfolio

The Corporation expects that its investment portfolio will initially be comprised of its investment in each of the Sidace Lake property and Estrella Gold Corporation (formerly Canadian Shield Resources Inc.) ("**Estrella**"). The Corporation further intends to seek additional investment opportunities in accordance with the policies and processes described herein and the policies of the Exchange applicable to an "investment issuer".

The Sidace Lake property is located in the Red Lake gold district of Ontario and is owned by the Corporation as to 40% and Goldcorp Red Lake Gold Mines, an affiliate of Goldcorp Inc., as to 60% under the terms of an option agreement. As at March 31, 2012, the property had an asset value of $5,329,531. Estrella is a "prospect generator" company, primarily engaged in the acquisition and exploration of mineral properties in Latin America. Planet Mining currently holds 7,500 common shares in the capital of Estrella, and the closing price of such shares on the Exchange as at February 6, 2013 was $0.10.

The nature and timing of the Corporation's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Corporation. Initial investments of debt, equity or a combination thereof may be made in public or private companies through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments.

Management Annual Bonus Entitlement

Assuming completion of the Proposed COB, the Corporation intends to pay to certain directors and officers determined by the Board an annual cash bonus equal to, in the aggregate, 20% of the increase, if any, in the value of the Corporation's shareholders' equity (shareholders' equity is equivalent to net assets minus net liabilities (i.e., net asset value)) calculated as at March 31 of the applicable year and adjusted to eliminate changes in shareholders' equity which would not generally be attributable to management performance (such as increases in share capital as a result of financings or stock option or warrant exercises), over the value of shareholders' equity calculated, as adjusted, as at March 31 of the preceding year. This annual bonus entitlement is designed to more closely reflect the compensation structure of certain investment funds which pay a performance fee to their portfolio manager equal to a percentage of the increase in the net asset value of such investment funds.

Such annual bonus entitlement will be payable at the discretion of the Board, in consultation with the Corporate Governance, Compensation and Compliance Committee and in accordance with the policies and practices described in this Circular, and will be in addition to any salaries and bonuses, management fees, consulting fees and professional fees payable by the Corporation in any fiscal year.

Change of Name

After completion of the Proposed COB, the Corporation intends to change its name to "Coldbridge Resources Corp.", or such other name as the Board may determine and that is acceptable to the Exchange and applicable regulatory authorities, and its Common Shares will trade on the Exchange under the stock symbol "CRC", or such other symbol as approved by the Exchange.

Directors and Management Following the Proposed COB

There will be no change to the Board or management of the Corporation as a result of the Proposed COB.

Share/Security Structure Following the Proposed COB

The Corporation expects that there will be no change in the existing share structure of the Corporation as a result of the Proposed COB, and that no Common Shares or other securities of the Corporation will be issued in connection with the Proposed COB.

Available Funds and Principal Purposes

The Corporation estimates that it will have approximately $3,500,000 in cash reserves after the completion of the Proposed COB based on the estimated consolidated working capital of the Corporation as at January 31, 2013.

The Corporation intends to use these funds to pay for general and administrative expenses and to fund the purchase of the investments to be included in its investment portfolio in accordance with the investment objective, strategy and restrictions set out herein.

Recommendation of the Board of Directors

The Board, after careful consideration of a number of factors, has determined unanimously that the Proposed COB is in the best interests of the Corporation and its shareholders and authorized the submission of the Proposed COB, in substantially the form of resolution attached to this Circular as Schedule "A", to shareholders for approval at the Meeting. **The Board unanimously recommends that the Corporation's shareholders vote IN FAVOUR of the Proposed COB.**

Shareholder Approval

Policy 5.2 requires the Corporation to obtain shareholder approval of the Proposed COB, which constitutes a Change of Business, by way of an ordinary resolution passed by the majority of the votes cast at the Meeting. The resolution approving the Proposed COB requires approval by a simple majority of the votes cast by shareholders present in person or represented by proxy at the Meeting.

Regulatory Approvals

The current outstanding Common Shares are listed for trading on the Exchange under the symbol "PXI". On February5, 2013, prior to the announcement of the Proposed COB, the closing price of the Common Shares on the Exchange was $0.15. Upon the announcement of the Proposed COB, the Common Shares were halted from trading on the Exchange.

The Proposed COB will constitute a Change of Business under the policies of the Exchange and will be conditional upon, among other things, the Corporation obtaining Exchange approval. Prior to mailing of this Circular, the Exchange had not provided conditional acceptance of the Proposed COB. Approval of the Proposed COB will be subject to the satisfaction of a number of conditions, including the Corporation meeting the Exchange's prescribed minimum listing requirements for an "investment issuer".

Sponsorship

Byron Capital Markets Ltd. has agreed to act as sponsor for the Proposed COB pursuant to a sponsorship agreement dated October 19, 2012. The Sponsor will receive a fee of $15,000 for providing sponsorship services, including conducting the appropriate due diligence on both the Proposed COB and this Circular in compliance with Policy 2.2. The Corporation will also reimburse the Sponsor for expenses incurred. The Sponsor owns no securities of the Corporation.

Interests of Insiders

The directors and officers of the Corporation and their associates and affiliates, as a group, beneficially own, or control or direct, directly or indirectly, an aggregate of 3,368,121 Common Shares and 2,420,000 options, representing approximately 8 percent of the outstanding Common Shares and approximately 74 percent of the outstanding options, respectively (and, which together represent approximately 13 percent of the outstanding Common Shares on a fully-diluted basis).

Interests of Experts

There is no person or company who is named as having prepared or certified a statement, report or valuation in respect of the Corporation in this Circular and whose profession or business gives authority to the statement, report or valuation made by the person or company other than Cinnamon Jang Willoughby, Chartered Accountants, the Corporation's auditor.

Cinnamon Jang Willoughby, Chartered Accountants has confirmed it is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Risk Factors

Certain risk factors associated with the Proposed COB and those risk factors specific to the Corporation which Shareholders should consider include:

- the Exchange not approving the Proposed COB;
- the Corporation's lack of operating history as an investment company;
- portfolio exposure risks and sensitivity to macro-economic conditions;
- the availability of sources of income to generate cash flow and revenue;
- risks relating to investments in private issuers and illiquid securities;
- the volatility of the Corporation's stock price;
- risks relating to the trading price of the Common Shares relative to net asset value;
- risks relating to available investment opportunities and competition for investments;
- the volatility of the share prices of investments in public companies;
- risks relating to the concentration of investments;
- the dependence on management, directors and the Investment Committee;

- risks relating to additional funding requirements;
- due diligence risks;
- exchange rate risks;
- risks relating to non-controlling interests;
- potential conflicts of interest; and
- potential transaction and legal risks,

as more particularly described under the heading "*Risk Factors*" in this Circular.

MANAGEMENT INFORMATION CIRCULAR

UNLESS OTHERWISE NOTED, INFORMATION IS PROVIDED AS AT FEBRUARY 8, 2013 FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 15, 2013.

This Circular is furnished in connection with the solicitation of proxies by management of Planet Mining Exploration Inc. for use at the Meeting, and at any adjournment(s) or postponement(s) thereof, at the time and place and for the purposes set forth in the Notice of Meeting.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers or directors of the Corporation at nominal cost. The cost of this solicitation will be borne by the Corporation. The Notice of Meeting, the Proxy and this Circular will be mailed to beneficial owners of Common Shares commencing on or about February 19, 2013. In this Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

GENERAL PROXY INFORMATION

Record Date

The Board has set the close of business on January 15, 2013 as the Record Date for determining which shareholders of the Corporation shall be entitled to receive notice of and to vote at the Meeting. Only shareholders of record as of the Record Date are entitled to receive notice of and to vote at the Meeting. Holders of the Common Shares who acquire such Common Shares after the Record Date will not be entitled to vote such shares at the Meeting or any adjournment(s) or postponement(s) thereof.

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. The Corporation has arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying Proxy are directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting of Proxies

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

(a) completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Computershare, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;

(b) using a touch-tone phone to transmit voting choices to a toll free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or

(c) using the internet through the website of the Corporation's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number,

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

The Corporation is taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) that permit the Corporation to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Corporation. If you are a beneficial owner, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding securities on your behalf) has assumed responsibility for (a) delivering these materials to you, and (b) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a VIF in lieu of the Proxy provided by the Corporation. The VIF will name the same persons as the Corporation’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative**. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is continued into the Province of British Columbia under the BCBCA, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

(a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare, or to the Corporation's office at Suite 302, 750 West Pender Street, Vancouver, British Columbia V6C 2T7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS OF THE CORPORATION

The Board has fixed January 15, 2013 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

(a) the shareholder has transferred the ownership of any such Common Shares after the Record Date; and

(b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common Shares and makes a demand to Computershare no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Corporation are listed for trading on the Exchange.

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at the date hereof, the Corporation had outstanding 44,539,190 fully paid and non assessable Common Shares without par value, each carrying the right to one vote. As at the date hereof, there were no Preferred Shares issued and outstanding. As at the date hereof, the Corporation had 3,920,000 Common Share purchase warrants issued and outstanding, at an exercise price of $0.25 per Common Share for a period of 12 months. No group of shareholders has the right to elect a specified number of directors. There are special rights and restrictions attached to the Common Shares and the Preferred Shares as set out in the Articles of the Corporation.

To the knowledge of the directors and executive officers of the Corporation, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at the date hereof.

INTEREST OF MANAGEMENT IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no person who has been director or an executive officer of the Corporation at any time since the beginning of the Corporation's most recently completed financial year, or any proposed nominee for election as a director of the Corporation, or any associate or affiliate of such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation, proposed director of the Corporation or any associate or affiliate of an informed person or proposed director has any material interest, direct or indirect, in any transaction since the beginning of the most recently completed financial year of the Corporation or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Audited Financial Statements

The audited consolidated financial statements of the Corporation for the year ended March 31, 2012 and March 31, 2011, together with the independent auditor's report thereon, are attached hereto as Schedule "B" and will be presented at the Meeting.

Fix Number of Directors of the Corporation

The Board is currently comprised of six members. David Birkenshaw and Peter Shippen were appointed as directors effective as of October 12, 2012 and will stand for election at the Meeting. As a result, the Board proposes that the number of directors be fixed at six, and shareholders will be called upon at the Meeting to approve an ordinary resolution fixing the number of directors of the Corporation at six. A simple majority of the votes cast at the Meeting is required to fix the number of directors at six.

Election of Directors

Management of the Corporation proposes to elect six directors for the ensuing year or until their successors are elected or appointed, unless a director's office is earlier vacated in accordance with the Articles of the Corporation or the BCBCA or such director becomes disqualified to act as a director. Directors are elected by a plurality of votes cast at the Meeting, which means that those nominees for election who receive the largest number of favourable votes will be elected as directors of the Corporation, up to the maximum number of directors fixed by the shareholders at the Meeting.

UNLESS SUCH AUTHORITY IS WITHHELD, THE MANAGEMENT REPRESENTATIVES NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE FOR THE ELECTION OF THE PERSONS NAMED IN THE FORM OF PROXY AS NOMINEES FOR DIRECTORS. IN THE UNANTICIPATED EVENT THAT A NOMINEE IS UNABLE TO, OR DECLINES TO SERVE AS A DIRECTOR AT THE MEETING, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY SHALL HAVE DISCRETIONARY AUTHORITY TO VOTE FOR THE ELECTION OF ANY OTHER PERSON IF PRESENTED. AS OF THE DATE OF THIS CIRCULAR, THE BOARD IS NOT AWARE OF ANY NOMINEE WHO IS UNABLE TO OR WHO INTENDS TO DECLINE TO SERVE AS A DIRECTOR, IF ELECTED.

The following table (and notes thereto) states the name of each person proposed to be nominated by management for election as a director, all offices of the Corporation now held by him, his principal occupation, the period of time for which he has been a director of the Corporation and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

Name, Province & Country of Residence	Current Position(s) with the Corporation	Director Since	Number of Securities Beneficially Owned or over which Control or Direction is Exercised[(1)]
David Birkenshaw Ontario, Canada	Chief Executive Officer and Director	October 12, 2012	2,083,000
Antonio M. Ricci British Columbia, Canada	President and Director	September 22, 2010	Nil
Christopher Taylor[(2)] British Columbia, Canada	Vice President Resource Investment and Director	November 10, 2010	50,000
Darold H. Parken[(2)(3)] Alberta, Canada	Non-Executive Chairman and Director	November 18, 1996 to November 26, 1996 and since April 2, 2003	1,235,121
Patrick McAndless[(2)(3)] British Columbia, Canada	Director	October 21, 2010	Nil
Peter Shippen[(3)] Ontario, Canada	Director	October 12, 2012	Nil

Notes:

(1) Information as to the number of Common Shares beneficially owned or over which direction is exercised has been provided by the respective individuals named therein.

(2) Member of the Audit Committee of the Corporation.

(3) Member of the Corporate Governance, Compensation and Compliance Committee of the Corporation.

Occupation, Business or Employment of Nominees for Director

Set out below are the profiles of management's nominees for election as directors of the Corporation, including particulars of their principal occupations for the past five years.

David Birkenshaw, *Chief Executive Officer and Director* (Age: 57)

Mr. Birkenshaw has been the President and Chief Executive Officer of Birkenshaw & Company Ltd. since its formation in 1989. Mr. Birkenshaw was a Senior Vice President and Director of Price Waterhouse Coopers Securities LLP specializing in mergers, acquisitions and related financial advisory work in mining and marine transport industries from 1998 to 2000. Mr. Birkenshaw, through Birkenshaw & Company Ltd., has acted as a merchant banker, making significant investments across a broad range of industry sectors..

Antonio (Tony) M. Ricci, *President and Director* (Age: 50)

Mr. Ricci is a chartered accountant with over 20 years of practice experience, mainly with public companies listed on Canadian and U.S. stock exchanges. Mr. Ricci was formerly the Chief Financial Officer and a director of Keegan Resources Inc., the Chief Financial Officer and a director of Norsemont Mining Inc. and the Chief Financial Officer of both Petaquilla Minerals Ltd. and Petaquilla Copper Ltd., companies with a combined market capitalization approaching CAD$2.0 billion. He is also a former director and officer of various other listed companies and was formerly with KPMG and AMEC Engineering Inc.

Christopher Taylor, ***Vice President Resource Investment and Director*** **(Age: 35)**

Mr. Taylor is an economic geologist and explorationist and has extensive experience with porphyry copper gold, epithermal gold, VMS and rare earth element exploration projects. He has been professionally active with both mid-tier producer and junior mining companies. A Professional Geologist registered in the Province of British Columbia, Mr. Taylor holds a Bachelor of Science (Honours) degree in Earth Science and a Master of Science degree in Structural Geology from Carleton University.

Darold H. Parken, ***Non-Executive Chairman and Director*** **(Age: 60)**

Mr. Parken is a senior executive with a public company and holds a Bachelor of Laws degree and a Bachelor of Arts degree (Economics) from the University of Calgary. Mr. Parken has practiced corporate law and securities law for over 30 years and has completed the Canadian Securities Course. He has public company management experience and a wide range of experience in the areas of corporate finance, mergers and acquisitions and executive compensation. Mr. Parken also has extensive experience in managing and operating both resource and technology companies. Mr. Parken is an executive director of Challenger Deep Resources Corp.

Patrick McAndless, ***Director*** **(Age: 65)**

Mr. Andless, B.Sc. (Honours), P. Geo, has been involved in mineral exploration for four decades accumulating extensive knowledge and expertise in the evaluation of mineral prospects. . He is currently Vice President of Exploration for Vancouver-based Imperial Metals Corporation where he oversees the company's exploration and development programs, property evaluations and land management.

In 2006, Mr. McAndless was the recipient of the APEGBC's C.J. Westerman Memorial Award for "combining his solid professional career with outstanding service and dedication to advancing public recognition of geoscience". In 2005, he was honoured by the British Columbia & Yukon Chamber of Mines and awarded the H.H. "Spud" Huestis Award for Excellence in Prospecting and Mineral Exploration, and in 2003 he received the Northern BC Prospector of the Year Award at the Northern BC Business & Industry Awards. Mr. McAndless is a Professional Geoscientist and holds a Bachelor of Science Degree (Honours Geology) from the University of British Columbia.

Peter Shippen, ***Director*** **(Age: 32)**

Mr. Shippen is currently President, Chief Financial Officer and a director of Redwood Asset Management Inc., which is a Toronto-based investment fund manager. He has an extensive background in the research and analysis of mutual funds, hedge funds and structured products. Prior to founding Ark Fundsin August 2007, Mr. Shippen served as a Vice President of Fund Research and Product Due Diligence at a bank-owned investment dealer and increasingly senior positions in the investment fund research group at a different bank-owned investment dealer. Mr. Shippen is a Chartered Financial Analyst and Chartered Alternative Investment Analyst, and earned a Bachelor of Arts Degree in Economics from Wilfrid Laurier University.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as may be disclosed elsewhere in this Circular and below, none of the Corporation's proposed nominees for director or officers are as at the date of this Circular, or were within 10 years before the date of this Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Corporation) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty consecutive days while the director or proposed nominee for director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty consecutive days that was issued after the director or proposed nominee for director ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

In December 2009, while Peter Shippen was a director of The Jenex Corporation, such company was subject to a cease trader order by each of the British Columbia, Alberta and Ontario Securities Commissions for the late filing of its financial statements and management's discussion and analysis. The Jenex Corporation has since filed all of its financial statements and management's discussion and analysis and a request has been made to each of these securities commissions and the Exchange to lift the cease trade orders and reinstate the company's shares for trading on the Exchange.

Except as may be otherwise disclosed in this Circular and below, none of the Corporation's proposed nominees for director or officer:

(a) are, as at the date of this Circular, or have been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Except as may be otherwise disclosed in this Circular and below, none of the Corporation's proposed nominees for director or officer, are or has been, as at the date of this Circular, subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation nor by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

There are no known existing or potential conflicts of interest among the Corporation and the directors and officers of the Corporation as a result of their outside business interests except that certain of the directors and officers serve as directors, officers, promoters and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director and officer of the Corporation and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Corporation have been advised of the existence of laws governing accountability of directors and officers regarding corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of the directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA, and they are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Appointment and Remuneration of Auditors

Management of the Corporation will recommend at the Meeting that shareholders appoint Cinnamon Jang Willoughby, Chartered Accountants as auditors of the Corporation until the next annual meeting of shareholders and to authorize the directors to fix their remuneration. Cinnamon Jang Willoughby, Chartered Accountants was appointed as the Corporation's auditor effective May 16, 2011. A simple majority of votes cast at the Meeting is required to appoint Cinnamon Jang Willoughby, Chartered Accountants as auditors of the Corporation.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE FOR THE APPOINTMENT OF CINNAMON JANG WILLOUGHBY, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE CORPORATION, TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE CORPORATION AND TO AUTHORIZE THE DIRECTORS TO FIX THE REMUNERATION TO BE PAID TO THE AUDITORS FOR THE ENSUING YEAR. THE DIRECTORS OF THE CORPORATION RECOMMEND THAT THE SHAREHOLDERS VOTE FOR THE APPOINTMENT OF CINNAMON JANG WILLOUGHBY, CHARTERED ACCOUNTANTS AS AUDITORS OF THE CORPORATION AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.

Proposed Change of Business

At the Meeting, the shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, substantially in the form of the resolution set forth at Schedule "A" to this Circular, approving the Proposed COB of the Corporation from a "junior mineral exploration company" to an "investment issuer". Pursuant to Policy 5.2, the Proposed COB must be approved by a majority of the votes cast by the shareholders of the Corporation at the Meeting and must receive the approval of the Exchange.

The following discussion considers the current business of the Corporation and outlines the proposed business of the Corporation assuming completion of the Proposed COB. For further information regarding the Corporation's proposed business upon completion of the Proposed COB, see the disclosure under the heading "*Description of the Corporation's Business Following the Proposed COB*".

Current Business of the Corporation

Planet Mining is currently in the business of acquiring, exploring and developing gold, copper, silver and other mineral properties, both directly and through joint ventures in Canada. The Corporation holds an interest in two mineral projects, being the Sidace Lake property located in the Red Lake gold district of Ontario and the Golden Loon property located in British Columbia. For further information regarding the Corporation's current business, please see the disclosure under the heading "*Detailed Information Regarding the Corporation – Corporate History*".

To date, the Corporation has not generated significant revenues from operations and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continued operations of the Corporation are primarily dependent upon its ability to raise exploration financing from equity markets or by selling or optioning its resource properties.

Background to the Proposed COB

After a thorough evaluation of the Corporation's existing resources and a review of strategic options for the Corporation generally, the Corporation determined to refocus its business operations from a "junior mineral exploration company" to an "investment issuer". The Board believes that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize upon investment opportunities as an "investment issuer".

Upon completion of the Proposed COB, the Corporation's primary focus will be to seek returns through investments in the securities of other companies, as more particularly described herein. The Corporation will continue to review opportunities to extract residual value from its natural resources assets, provided the Corporation may abandon some or all of such assets if it determines appropriate.

Proposed Business of the Corporation

Upon completion of the Proposed COB, the Corporation intends to become a diversified investment and merchant banking firm focused on the junior resource exploration market. The Corporation's proposed investment activities will primarily be in the resource sector, including precious metals, uranium and coal, oil and gas, base metals, potash, lithium and rare earths. However, the Corporation may take advantage of special situations and merchant banking opportunities, as such opportunities arise, and make investments in other sectors which the Corporation identifies from time to time as offering particular value. It is intended that the Corporation will acquire and hold securities for both long-term capital appreciation and shorter term gains.

Investment Objective

The investment objective of the Corporation will be to provide investors with long-term capital growth by investing in a portfolio of undervalued resource companies.

Investment Strategy

In connection with the Proposed COB, Planet Mining intends to adopt an investment policy (the "**Investment Policy**") to govern its investment activities and investment strategy. A copy of such policy is attached hereto as Schedule "C".

Planet Mining expects that its investment portfolio will, from time to time, be comprised of securities of both public and private issuers in the precious metals, uranium and coal, oil and gas, base metals, potash, lithium and rare earths sectors. However, the Corporation may also endeavour to identify compelling investment opportunities in certain other sectors, including industrial metals, water, green energy, alternative energy and agriculture. Planet Mining expects its investments will encompass companies at all stages of development, including pre-initial public offering and/or early stage resource companies with undeveloped and undervalued high-quality resources requiring start-up or development capital, as well as intermediate and senior companies.

Planet Mining may invest in equity, debt and convertible securities, which the Corporation intends will be acquired and held both for long-term capital appreciation and shorter-term gains. The Corporation will try to identify junior companies that have resource prospects and potential, strong management teams and/or are involved with a segment of the market that is consistent with or otherwise complimentary to Planet Mining's macro position. A key aspect of the Corporation's investment strategy will be seeking undervalued companies backed by such strong management teams and solid business models that can benefit from macro-economic trends.

The Corporation intends that the Investment Policy will provide guidelines regarding the nature and weighting of the holdings in the investment portfolio. Sector allocations may vary significantly over time. Reallocations are anticipated to be required infrequently except during extremely volatile market periods.

In the resource sector, the Corporation expects to invest in securities of issuers which have quality proven or prospective resources in locations which management believes are, or will become, amenable to development of the resource. In any other sectors, the Corporation expects to invest in securities of issuers which it believes have competitive advantages in an area with a large potential market. In both sectors, the Corporation will look for seasoned and capable management to be in place.

Notwithstanding the foregoing, the Corporation's investment objective, investment strategy and investment restrictions may be amended from time to time as approved by the Board. Additionally, notwithstanding the Investment Policy, the Board may, from time to time, authorize such additional investments outside of the disciplines set forth herein as it sees fit for the benefit of the Corporation and its shareholders.

Nature of Involvement

Planet Mining primarily expects to be a passive investor. However, there may be situations in which the Corporation will seek a more active role by advising management of the investee company and/or placing one or more nominees on the board of directors of the investee company. In such situations, the Corporation intends to use its financial and management expertise to add or unlock value. Planet Mining may also structure an investment to assume a controlling or joint-controlling interest in a company, which may or may not involve the provision of advice to management and/or board participation.

Investment Evaluation Process

It is anticipated that the Corporation's investments will be carried out according to an opportunistic and disciplined process to maximize returns while minimizing risk, taking advantage of investment opportunities identified from the industry contacts of the Board, the officers of the Corporation and the members of an investment committee (the "**Investment Committee**") established by the Corporation. The Corporation will use a top-down and bottom-up investment approach to develop a macro view of a sector, build a position consistent with such view within that sector and devise an exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.

Planet Mining intends to evaluate securities of an issuer using an evaluation method consistent with the method used to evaluate securities of other issuers in the same industry. In selecting securities for its portfolio, the Corporation will consider various factors in relation to any particular issuer, including:

(a) inherent value of its resource assets or other assets (in the case of a non-resource issuer);

(b) proven management, clearly-defined management objectives and strong technical and professional support;

(c) future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;

(d) anticipated rate of return and the level of risk;

(e) financial performance; and

(f) exit strategies and criteria.

The Corporation intends to establish the Investment Committee to monitor its investment portfolio on an ongoing basis and to review the status of its investments. The Investment Committee will be subject to the direction of the Board, and will consist of at least three members. It is expected that such members will include directors and/or officers of Planet Mining, but the Corporation may also utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions. The members of the Investment Committee will be appointed by the Board, and members of the Investment Committee may be removed or replaced by the Board. It is currently contemplated that the initial Investment Committee will include each of David Birkenshaw, Antonio M. Ricci and Darold H. Parken.

The directors, officers and management of the Corporation will work jointly and severally to uncover appropriate investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channelled through the Investment Committee. The Investment Committee will make an assessment of whether the proposal fits with the investment and corporate strategy of the Corporation in accordance with its investment evaluation process, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants.

Once a decision has been reached to invest in a particular situation, a short summary of the rationale behind the investment decision should be prepared by the Investment Committee and submitted to the Board. This summary should include guidelines against which future progress may be measured. The summary should also highlight any finder's or agents' fees payable.

All investments will be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Corporation's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Corporation. Negotiations may be on-going before and after the performance of due diligence. The representative(s) of the Corporation involved in these negotiations will be determined in each case by the circumstances.

Composition of Investment Portfolio

The Corporation expects that its investment portfolio will initially be comprised of its investment in each of the Sidace Lake property and Estrella Gold Corporation (formerly Canadian Shield Resources Inc.) ("**Estrella**"). The Corporation further intends to seek additional investment opportunities in accordance with the policies and processes described herein and the policies of the Exchange applicable to an "investment issuer".

The Sidace Lake property is located in the Red Lake gold district of Ontario and is owned by the Corporation as to 40% and Goldcorp Red Lake Gold Mines, an affiliate of Goldcorp Inc. ("**Goldcorp**"), as to 60% under the terms of an option agreement between Planet Mining and Goldcorp. Inc. dated April 10, 2003 (the "**Option Agreement**"). As at March 31, 2012, the property had an asset value of $5,329,531.

Estrella is a public company whose shares are listed for trading on the Exchange under the symbol "EST". Estrella is a "prospect generator" company, primarily engaged in the acquisition and exploration of mineral properties in Latin America. Planet Mining currently holds 7,500 common shares in the capital of Estrella, and the closing price of such shares on the Exchange as at February 6, 2013 was $0.10.

The nature and timing of the Corporation's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Corporation. Initial investments of debt, equity or a combination thereof may be made in public or private companies through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments.

Cash reserves of the Corporation may, from time to time as appropriate, be placed into high quality money market investments, including Canadian Treasury Bills or corporate notes rated at least R-1 by DBRS Limited, each with a term to maturity of less than one year.

Conflicts of Interest

Prior to making any investment, all members of senior management, the Board and, if applicable, the Investment Committee, will be obligated to disclose any interest in the potential investment. In the event that a conflict is determined to exist, the person having a disclosable interest will abstain from making further decisions concerning such investment.

The directors, senior officers and, where applicable, members of the Investment Committee of the Corporation may be involved in other activities which may on occasion cause a conflict of interest with his or her duties to the Corporation. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including companies in which the Corporation may invest. Such persons may also engage in transactions with the Corporation where any one or more of such persons is acting in his or her capacity as financial advisor, broker, intermediary, principal or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a similar transaction between parties not connected with such persons or any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

The directors and senior officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures of conflicts of interest and the Corporation will rely upon such laws in respect of any conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

Management Annual Bonus Entitlement

Assuming completion of the Proposed COB, the Corporation intends to pay to certain directors and officers determined by the Board an annual cash bonus equal to, in the aggregate, 20% of the increase, if any, in the value of the Corporation's shareholders' equity (shareholders' equity is equivalent to net assets minus net liabilities (i.e., net asset value)) calculated as at March 31 of the applicable year and adjusted to eliminate changes in shareholders' equity which would not generally be attributable to management performance (such as increases in share capital as a result of financings or stock option or warrant exercises), over the value of shareholders' equity calculated, as adjusted, as at March 31 of the preceding year. This annual bonus entitlement is designed to more closely reflect the compensation structure of certain investment funds which pay a performance fee to their portfolio manager equal to a percentage of the increase in the net asset value of such investment funds.

Such annual bonus entitlement will be payable at the discretion of the Board, in consultation with the Corporate Governance, Compensation and Compliance Committee and in accordance with the policies and practices described in this Circular, and will be in addition to any salaries and bonuses, management fees, consulting fees and professional fees payable by the Corporation in any fiscal year. Please see disclosure under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

Change of Name

After completion of the Proposed COB, the Corporation intends to change its name to "Coldbridge Resources Corp.", or such other name that is acceptable to the Board and applicable regulatory authorities. The Corporation's Articles will be amended to effect the name change. Assuming the completion of the Proposed COB, the Common Shares will trade on the Exchange under the stock symbol "CRC", or such other symbol as approved by the Exchange.

Expenses Following Completion of the Proposed COB

The Corporation expects that its fixed costs after completion of the Proposed COB (including, but not limited to, salaries and bonuses, management fees, consulting fees, professional fees, rent, investor relations fees, audit fees, transfer agent fees, insurance and Exchange fees) will not exceed $45,000 plus applicable taxes per month. See disclosure under the heading "*Description of the Corporation's Business Following the Proposed COB – Available Funds and Principal Purposes*" for further information.

Recommendation of the Board

THE BOARD, AFTER CAREFUL CONSIDERATION OF A NUMBER OF FACTORS, HAS DETERMINED UNANIMOUSLY THAT THE PROPOSED COB IS IN THE BEST INTERESTS OF THE CORPORATION AND ITS SHAREHOLDERS. THE BOARD HAS UNANIMOUSLY DETERMINED TO RECOMMEND TO SHAREHOLDERS OF THE CORPORATION THAT THEY VOTE IN FAVOUR OF THE PROPOSED COB.

Shareholder Approval

Policy 5.2 requires the Corporation to obtain shareholder approval of the Proposed COB, which constitutes a Change of Business, by way of an ordinary resolution passed by the majority of the votes cast at the Meeting. In the event that the resolution is not passed or if the Corporation is unable to obtain Exchange approval, then the Proposed COB may not be completed. There can be no guarantee that the Corporation will be able to obtain Exchange approval. The resolution approving the Proposed COB requires approval by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

Regulatory Approval

The current outstanding Common Shares are listed for trading on the Exchange under the symbol “PXI”. On February5, 2013, prior to the announcement of the Proposed COB, the closing price of the Common Shares on the Exchange was $0.15. Upon the announcement of the Proposed COB, the Common Shares were halted from trading on the Exchange.

The Proposed COB will constitute a Change of Business under the policies of the Exchange and will be conditional upon, among other things, the Corporation obtaining Exchange approval. Prior to mailing of this Circular, the Exchange had not provided conditional acceptance of the Proposed COB. Approval of the Proposed COB will be subject to the satisfaction of a number of conditions, including the Corporation meeting the Exchange’s prescribed minimum listing requirements for an “investment issuer”.

Share Option Plan

Pursuant to the policies of the Exchange, a listed company is required to have an option plan in place if it intends to grant any options.

The shareholders of the Corporation adopted the Share Option Plan on November 8, 2011 in order to comply with the current policies of the Exchange and to increase the flexibility of the Corporation to provide incentives to directors, officers, employees, management and others who provide services to the Corporation. The Share Option Plan is a 10% maximum rolling plan and, pursuant to the policies of the Exchange, the Share Option Plan requires shareholder approval by ordinary resolution at every annual meeting of the Corporation while the Share Option Plan is in effect.

A maximum of 10% of the issued and outstanding Common Shares of the Corporation at the time an option is granted are reserved for issuance as options pursuant to the Share Option Plan and at the discretion of the Board to eligible optionees. At the date hereof, 4,453,919 Common Shares may be reserved for issuance. At the date hereof, 3,250,000 options have been granted and remain outstanding to purchase an aggregate of 3,250,000 Common Shares and expire on a date not later than five years after the date of grant of an option.

The material terms of the Share Option Plan are set out in the management information circular of the Corporation dated as at November 8, 2011 and filed on SEDAR at www.sedar.com. A copy of the Share Option Plan will be available for inspection at the Meeting.

THE BOARD BELIEVES THAT IT IS IN THE BEST INTERESTS OF THE CORPORATION AND ITS SHAREHOLDERS TO RATIFY AND APPROVE THE CONTINUATION OF THE SHARE OPTION PLAN AND UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF RATIFYING AND APPROVING THE CONTINUATION OF THE SHARE OPTION PLAN.

Other Matters Which May Come Before the Meeting

Management of the Corporation knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matters which are not known to management of the Corporation properly come before the Meeting, the Proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

DETAILED INFORMATION REGARDING THE CORPORATION

Name and Incorporation

The Corporation was incorporated under the laws of the Province of Alberta as "Planet Exploration Inc." on January 29, 1996. On April 12, 2012, the Corporation was continued into the Province of British Columbia under the BCBCA and changed its name to "Planet Mining Exploration Inc.".

The Corporation's registered office and its principal place of business is located at Suite 302, 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T7.

Corporate History

The Corporation is in the business of acquiring, exploring and developing gold, copper, silver and other mineral properties, both directly and through joint ventures in Canada. The Common Shares are listed on the Exchange under the trading symbol "PXI".

The Corporation holds an interest in two mineral projects, being the Sidace Lake property located in the Red Lake gold district of Ontario and the Golden Loon property located in British Columbia. The Sidace Lake property is owned by the Corporation as to 40% and Goldcorp as to 60% under the terms of the Option Agreement. The Corporation entered into an option agreement with Tilava Mining Corporation ("**Tilava**"), a private company, to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon property. Pursuant to the terms of the option agreement with Tilava, the Corporation was required to, among others, pay to Tilava an amount equal to $200,000 on or before February 1, 2013. The Corporation did not make such payment and does not intend to make any other payments that may be required to Tilava under the option agreement.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Selected Consolidated Financial Information

The following information is summarized from the audited financial statements of the Corporation for the fiscal years ended March 31, 2012, 2011 and 2010 and should be read in conjunction with the financial statements attached at Schedule "B" to this Circular:

	Year Ended March 31		
	2012 $	**2011 $**	**2010 $**
Total Revenues	Nil	Nil	Nil
Net income (loss)			
- total	(568,958)	(539,007)	(290,045)
- basic and diluted loss per share	(0.015)	(0.017)	(0.011)
Total Assets	11,045,914	11,190,401	9,842,323
Total Liabilities	184,090	146,853	98,013
Cash dividends declared per share	Nil	Nil	Nil

Management's Discussion and Analysis

Management's discussion and analysis of the financial position and results of operations of the Corporation for the year ended March 31, 2012 is available on SEDAR at www.sedar.com. Such management's discussion and analysis of the financial position and results of operations should be read in conjunction with the Corporation's annual financial statements for the year ended March 31, 2012 attached at Schedule "B" to this Circular.

PRIOR SALES

The following table sets out the dates and prices at which the Common Shares were sold in the 12 months prior to the date hereof:

Date of Issue	No. of Securities Issued	Price Per Common Share ($)	Reason for Issue
September 28, 2012	7,000,000 units[(1)]	$0.15	Non-brokered private placement
January 19, 2012	600,000 Common Shares	$0.18	Payment to Tilava pursuant to the terms of the option agreement to acquire a 70% interest in the Golden Loon property

Note:

(1) Each unit consists of one Common Share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional Common Share, for a period of 12 months, at an exercise price of $0.25 per Common Share.

Stock Exchange Price

The following table sets out the high and low trading price of the Common Shares for the periods indicated as reported by the Exchange:

Period	High	Low	Volume
February 1 – 6, 2013	$0.18	$0.14	154,200
January 2013	$0.14	$0.10	150,600
December 2012	$0.14	$0.09	485,100
November 2012	$0.14	$0.11	514,600
October 2012	$0.16	$0.13	560,980
July to September 2012	$0.17	$0.08	1,971,010
April to June 2012	$0.29	$0.12	1,043,543
January to March 2012	$0.30	$0.15	4,664,930
October to December 2011	$0.25	$0.11	2,380,500
July to September 2011	$0.33	$0.14	1,065,322
April to June 2011	$0.45	$0.22	3,073,037
January to March 2011	$0.51	$0.26	6,338,880

STATEMENT OF EXECUTIVE COMPENSATION

The following Statement of Executive Compensation is prepared in accordance with applicable securities legislation. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by certain executive officers and directors in connection with their position as an officer of or consultant to the Corporation.

Named Executive Officer

In this section "Named Executive Officer" ("**NEO**") means the Chief Executive Officer (the "**CEO**"), the Chief Financial Officer (the "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than $150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year.

The compensation paid to the NEOs during the Corporation's three most recently completed financial years of March 31, 2012, March 31, 2011 and March 31, 2010 is set out below.

Compensation Discussion and Analysis

Compensation Governance

The Board has established a Corporate Governance, Compensation and Compliance Committee, which committee is comprised of Darold H. Parken, Patrick McAndless and Peter Shippen. Each of Darold H. Parken, Patrick McAndless and Peter Shippen is an independent director of the Corporation. See disclosure under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*" for a brief description of the background of the members of the Corporate Governance, Compensation and Compliance Committee.

The Corporate Governance, Compensation and Compliance Committee assists the Board in fulfilling its obligations relating to compensation issues. The Corporate Governance, Compensation and Compliance Committee acts alone when considering the compensation of the President and CEO; however, the President and CEO assist the Committee in assessing the performance of all other executive officers. The proposed executive compensation is then presented to the Board for approval. The committee also makes recommendations to the Board respecting the Corporation's incentive compensation plans, including administration of the Share Option Plan, and must discharge all responsibilities imposed on the committee by the Corporation's incentive compensation plans. It has the responsibilities of reviewing and recommending director compensation, overseeing the Corporation's base compensation structure and equity-based compensation program, recommending compensation of the Corporation's officers and employees to the Board, and evaluating the performance of officers generally and in light of annual goals and objectives.

Furthermore, the committee may, at the request of the Board, review, approve and/or monitor compensation programs and strategies applicable to senior management, and review the corporate succession and development plans of the Corporation at the executive level. It reviews the compensation of senior management on a semi-annual basis and keeps current with developments in executive compensation for companies engaged in similar industries or that are of a similar size. The committee also reviews and approves any proposed severance termination payments to be made and prepares and issues all evaluations and reports under applicable law.

Philosophy and Objectives

The compensation program for the senior management of the Corporation is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining talented, qualified and effective executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the Corporation's shareholders.

In compensating its senior management, the Corporation has employed a combination of base salary, bonus compensation and equity participation through its Share Option Plan. The compensation program is designed to reward the short and long-term performance of the senior management based on the achievement of certain corporate objectives. Recommendations for senior management compensation are presented by the Corporate Governance, Compensation and Compliance Committee to the Board for review.

Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Corporation operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources.

Bonus Incentive Compensation

The Corporation's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Corporation meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Corporate Governance, Compensation and Compliance Committee and the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Corporation's operations.

Equity Participation

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's Share Option Plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the Corporate Governance, Compensation and Compliance Committee and the CEO.

Given the evolving nature of the Corporation's business, the Corporate Governance, Compensation and Compliance Committee together with the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Neither the Corporate Governance, Compensation and Compliance Committee nor the Board have considered the implications of the risks associated with the Corporation's compensation policies and practices.

The Corporation has not adopted a policy disallowing insiders from purchasing financial instruments designed to hedge or offset any decrease in market value of the Common Shares or options of the Corporation.

Actions, Decisions or Policies Made After March 31, 2012

On April 3, 2012, the Corporation granted options to purchase an aggregate of 75,000 Common Shares at an exercise price of $0.25 per Common Share for a period of five years. On July 25, 2012, the Corporation granted options to purchase an aggregate of 690,000 Common Shares at an exercise price of $0.15 per Common Share for a period of five years.

On September 28, 2012, the Corporation completed a non-brokered private placement consisting of 7,000,000 units of the Corporation, at $0.15 per unit, for gross proceeds of $1,050,000. Each unit consists of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to purchase one additional Common Share, for a period of 12 months, at an exercise price of $0.25 per Common Share. In connection with the private placement, the Corporation also issued 420,000 finder's warrants. Each finder's warrant is exercisable into one Common Share, at a price of $0.25 per Common Share, for a period of 12 months.

On October 11, 2012, Antonio M. Ricci resigned from the Corporate Governance, Compensation and Compliance Committee and Peter Shippen was appointed to the Corporate Governance, Compensation and Compliance Committee.

On October 12, 2012, each of the following changes were made to the directors and officers of the Corporation: (a) David Birkenshaw and Peter Shippen were appointed directors of the Corporation; (b) David Birkenshaw was appointed Chairman and Chief Executive Officer; (c) Antonio M. Ricci was appointed President; (d) Zula Kropivnitski was appointed Chief Financial Officer; (e) Christopher Taylor was appointed Vice President Resource Investment; and (f) Andrew Edelberg was appointed Vice President Corporate Development.

On January 31, 2013, David Birkenshaw resigned as Chairman and Darold H. Parken was appointed Non-Executive Chairman.

Option-Based Awards

The Corporation has a Share Option Plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Corporate Governance, Compensation and Compliance Committee and management propose stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The Share Option Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation.

Summary Compensation Table

The compensation paid to the NEOs during the Corporation's three most recently completed financial years ended March 31, 2012, 2011 and 2010 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards(1) ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Tony Ricci(2) Former CFO and current President	2012 2011 2010	Nil Nil Nil	Nil Nil Nil	37,920 51,525 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	45,500 24,500 Nil	83,420 76,025 Nil
Christopher Taylor(3) Former CEO and President and current Vice President Resource Investment	2012 2011 2010	70,557 2,835 Nil	Nil Nil Nil	12,640 103,050 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	83,197 105,885 Nil

Notes:

(1) Values in this column are comprised of options granted pursuant to the Share Option Plan. Values are based on the grant date fair value of the options calculated using the Black-Scholes-Merton Method.

(2) Mr. Ricci was appointed as CFO and Corporate Secretary on September 22, 2010. Mr. Ricci resigned as CFO on October 12, 2012 and Ms. Zula Kropivnitski was appointed as CFO as of such date.

(3) Mr. Taylor was appointed as President and CEO on November 8, 2010. Mr. Taylor resigned as President and CEO on October 12, 2012, and Mr. David Birkenshaw was appointed as CEO and Mr. Ricci was appointed as President as of such date.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out all option-based awards and share-based awards outstanding as at March 31, 2012 for each NEO:

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[1] ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Tony Ricci[2]	250,000	$0.34	November 11, 2015	Nil	Nil	Nil	Nil
	300,000	$0.20	October 13, 2016	27,000			
Christopher Taylor [3]	500,000	$0.34	November 11, 2015	Nil	Nil	Nil	Nil
	100,000	$0.20	October 13, 2016	9,000			

Notes:

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of March 31, 2012, which was $0.29, and the exercise or base price of the option.

(2) Mr. Ricci was appointed as CFO and Corporate Secretary on September 22, 2010 and held 550,000 as at March 31, 2012. Mr. Ricci resigned as CFO on October 12, 2012 and Ms. Zula Kropivnitski was appointed as CFO as of such date.

(3) Mr. Taylor was appointed as President and CEO on November 8, 2010 and held 600,000 options as at March 31, 2012. Mr. Taylor resigned as President and CEO on October 12, 2012, and Mr. David Birkenshaw was appointed as CEO and Mr. Ricci was appointed as President as of such date.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the fiscal years ended March 31, 2012 for each NEO:

Name	Option-based awards – Value vested during the year ($)(1)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Tony Ricci(2)	37,920	Nil	Nil
Christopher Taylor(3)	12,640	Nil	Nil

Notes:

(1) Values in this column are comprised of options granted pursuant to the Share Option Plan. Values are based on the grant date fair value of the options calculated using the Black-Scholes-Merton Method.

(2) Mr. Ricci was appointed as CFO and Corporate Secretary on September 22, 2010 and held 550,000 options as at March 31, 2012. Mr. Ricci resigned as CFO on October 12, 2012 and Ms. Zula Kropivnitski was appointed as CFO as of such date.

(3) Mr. Taylor was appointed as President and CEO on November 8, 2010 and held 600,000 options as at March 31, 2012. Mr. Taylor resigned as President and CEO on October 12, 2012, and Mr. David Birkenshaw was appointed as CEO and Mr. Ricci was appointed as President as of such date.

There was no value vested or earned by any NEO under the Corporation's incentive plan during the fiscal year ended March 31, 2012.

See disclosure under the heading "*Securities Authorized under Equity Compensation Plans*" for further information with respect to the Share Option Plan.

Termination and Change of Control Benefits

As of March 31, 2012, there were no employment agreements between the Corporation and any of its NEOs, and there were no compensatory plan(s) or arrangements(s), with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of any NEO's responsibilities following a change in control.

DIRECTOR COMPENSATION

Director Compensation Table

The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive stock options in accordance with the policies of the Exchange. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

The compensation provided to directors, excluding a director who is included in disclosure for an NEO, for the Corporation's most recently completed financial year of March 31, 2012 is:

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)(1)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Darold H. Parken	Nil	Nil	6,320	Nil	Nil	Nil	6,320
Patrick McAndless	Nil	Nil	6,320	Nil	Nil	Nil	6,320

Notes:

(1) Values in this column are comprised of options granted pursuant to the Share Option Plan. Values are based on the grant date fair value of the options calculated using the Black-Scholes-Merton Method.

Outstanding Options

The following table sets out all option-based awards and share-based awards outstanding as at March 31, 2012, for each director, excluding a director who is already set out in disclosure for an NEO for the Corporation:

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Darold H. Parken	50,000 350,000	0.20 0.17	October 13, 2016 December 18, 2013	4,500 42,500	Nil	Nil	Nil
Patrick McAndless(2)	250,000 50,000	0.34 0.20	November 11, 2015 October 13, 2016	Nil 4,500	Nil	Nil	Nil

Notes:

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at March 31, 2012, which was $0.29, and the exercise or base price of the option.

(2) Mr. McAndless was appointed director of the Corporation on October 21, 2010 and held 300,000 options as at March 31, 2012.

During the fiscal year ended March 31, 2012, the Corporation granted 1,745,000 options.

The following table sets out the value vested or earned under incentive plans during the fiscal years ended March 31, 2012 for each directors, excluding a director who is included in disclosure for an NEO:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Darold H. Parken	6,320	Nil	Nil
Patrick McAndless	6,320	Nil	Nil

Pension Plan Benefits

The Corporation does not have any pension or retirement plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has a Share Option Plan effective from and after November 8, 2011 and adopted by the shareholders. The Share Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Share Option Plan is administered by the Board and provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants and other key personnel of the Corporation or a subsidiary of the Corporation. Under the Share Option Plan a maximum of 10% of the issued and outstanding Common Shares, at any time, are reserved for issuance on the exercise of stock options. The options have no vesting period, except as determined by the Board. All options expire on a date not later than five years after the issuance of such option.

The following table sets out equity compensation plan information as at the March 31, 2012 financial year end:

Plan	Number of securities to be issued upon exercise of outstanding options as at March 31, 2012	Weighted-average exercise price of outstanding options as at March 31, 2012	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at March 31, 2012
Equity compensation plans approved by securityholders	2,715,000	$0.27	738,919
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	2,715,000	$0.27	738,919

MANAGEMENT CONTRACTS

To the best of the knowledge of the directors and executive officers of the Corporation, management functions of the Corporation or a subsidiary thereof are not, to any substantial degree, performed by a person other than the directors and executive officers of the Corporation or a subsidiary thereof.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Audit Committee’s Charter

The Audit Committee has a charter. A copy of the Audit Committee Charter is attached to the management information circular of the Corporation dated as at November 8, 2011 available on SEDAR at www.sedar.com.

Composition of the Audit Committee

The current members of the Audit Committee are Darold H. Parken, Patrick McAndless and Christopher Taylor. Each of Darold H. Parken and Patrick McAndless is an independent member of the Audit Committee as contemplated by NI 52-110. Christopher Taylor is not an independent member of the Audit Committee as he is an officer of the Corporation. All Audit Committee members are considered to be financially literate.

Relevant Education and Experience

See disclosure under the heading “*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*” for a brief description of the background of the members of the Audit Committee.

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the Corporation to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Cinnamon Jang Willoughby, Chartered Accountants.

Reliance on Certain Exemptions

The Corporation’s current auditor, Cinnamon Jang Willoughby, Chartered Accountants, has not provided any material non-audit services. The Corporations has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

See the Corporation’s Audit Committee Charter attached to the management information circular of the Corporation dated as at November 8, 2011 available on SEDAR at www.sedar.com for specific policies and procedures for the engagement of non-audit services adopted by the Audit Committee.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by Cinnamon Jang Willoughby, Chartered Accountants to the Corporation to ensure auditor independence. Fees incurred are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended March 31, 2012	Fees Paid to Auditor in Year Ended March 31, 2011
Audit Fees(1)	$24,500	$20,000
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
Total	$24,500	$20,000

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of such company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board approved and adopted a mandate on March 5, 2007, the text of which is posted on the Corporation's website at www.planetexploration.net and a copy may be obtained from the Corporation upon request, at no cost.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment or which is deemed to be a material relationship under NI 52-110.

The independent directors of the Corporation are Darold H. Parken, Patrick McAndless and Peter Shippen. The non-independent directors of the Corporation are David Birkenshaw, Antonio M. Ricci and Christopher Taylor, as they are current officers of the Corporation.

The Board believes management is responsible for the effective, efficient and prudent management of the Corporation's day-to-day operations subject to the Board's stewardship. The President and Chief Executive Officer are responsible to lead and manage the Corporation within parameters established by the Board and relevant committees. The President and Chief Executive Officer also develop and recommend strategic plans to the Board and involve the Board in the early stages of developing strategy. Additionally, the President and Chief Executive Officer are expected to successfully implement capital and operating plans, report regularly to the Board on the overall progress and results against the operating and financial objectives and initiate courses of action for improvement and develop and maintain a sound, effective organizational structure, including progressive employee training and development programs. The President and Chief Executive Officer's objectives are discussed and reviewed at least annually with the Board.

The Board Chairperson is expected to set Board meeting schedules and agendas and oversee the process whereby the Board receives full, timely and relevant information to support the Board's decision making obligations. The chairperson of each Board committee is expected to be responsible for ensuring that the written mandate of the committee for which he serves as chairperson is adhered to and that the objectives of each committee are accomplished.

Directorships

Each of the director nominees of the Corporation participate as a director for other listed companies as follows:

Name of Director	Name of Reporting Issuer	Market
David Birkenshaw	Birkenshaw & Company Ltd. Concordia Resource Corp.	Not listed TSXV
Antonio M. Ricci	Shelby Ventures Inc. Ocean Park Ventures Corp. Great Bear Resources Ltd. Iron Tank Resources Corp. Electric Metals Inc. Georgetown Capital Corp.	TSXV, NEX TSXV TSXV TSXV TSXV TSXV
Christopher Taylor	Iron Tank Resources Corp. Great Bear Resources Ltd.	TSXV TSXV
Darold H. Parken	Challenger Deep Resources Corp.	TSXV
Patrick McAndless	Great Bear Resources Ltd. Imperial Metals Company Electric Metals Inc. Ocean Park Ventures Corp.	TSXV TSX TSXV TSXV
Peter Shippen	Redwood Asset Management Inc.	Not listed

Orientation and Continuing Education

When new directors are appointed, they receive orientation commensurate with their previous experience on the Corporation's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board has a Corporate Governance, Compensation and Compliance Committee which is charged with, among others, recommending to the Board and its Audit Committee the Code of Business Conduct and Ethics (the "**Code**"), including procedures for addressing any reports of material breach of securities law, material breach of fiduciary duty or similar material violations. The Code is applicable to directors, officers, employees and consultants of the Corporation. Each of these persons is given a copy of the Code and must provide a certification of the understanding of the contents. A copy of the Code is posted on the Corporation's website at www.planetexploration.net and is also available from the Corporation upon request, at no cost.

Any serious breach of the provisions of the Code is reported by senior management to the Board and reviewed and assessed for appropriate disciplinary action. In cases where a director or officer has a material interest in a transaction or agreement being considered by the Board, this director or officer may not participate in any Board discussion on the subject nor may he or she vote on any resolutions pertaining to this subject matter.

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

See disclosure under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*" for information with respect to the composition of the Corporate Governance, Compensation and Compliance Committee.

Nomination of Directors

The purpose of the Corporate Governance, Compensation and Compliance Committee is to assist the Board in fulfilling its obligations relating to, among other things, identifying qualified candidates for appointment to the Board, its committees, the position of President and other members of senior management. The committee annually reviews and assesses the size, composition and operation of the Board to ensure effective decision-making, and makes recommendations to the Board concerning nominations for consideration. This committee also: recommends the individual directors to the Board who are to be proposed for nomination to be elected as director at the annual shareholders meeting of the Corporation; reviews and makes recommendations to the Board as to the designation of independent directors and financial experts; and reviews the Corporation's policies on tenure and the terms of individual directorships and Board committee chairpersons.

Compensation

See disclosure under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

Other Board Committees

The Board has no committees other than the Audit Committee and the Corporate Governance, Compensation and Compliance Committee. Assuming the completion of the Proposed COB, the Board will have no committees other than the Audit Committee, the Corporate Governance, Compensation and Compliance Committee and the Investment Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its Audit Committee.

An informal process of assessing the performance of Board committees and individual directors is conducted by way of engagement and dialogue between the individual directors.

DESCRIPTION OF THE CORPORATION'S BUSINESS FOLLOWING THE PROPOSED COB

Directors and Management Following the Proposed COB

There will be no change to the Board or management of the Corporation as a result of the Proposed COB.

The following table sets out the names of the current officers and directors of the Corporation, all major offices and positions with the Corporation and any of its significant affiliates each now holds, principal occupation, business or employment for the five preceding years the period of time during which each has been a director of the Corporation and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof.

Name, Municipality of Residence and Position with the Corporation	Principal Occupation for Past Five Years	Period during which the Directors or Officers have served as Directors or Officers of the Corporation	Number and Percentage of Securities Beneficially Owned or over which Control or Direction is Exercised(1)(5)
David Birkenshaw(3) Ontario, Canada Chief Executive Officer and Director	President and Chief Executive Officer of Birkenshaw & Company Ltd.	October 12, 2012 to present	2,083,000 4.7%
Antonio M. Ricci(3) British Columbia, Canada President and Director	Chartered Accountant and Businessman	September 22, 2010 to present	Nil
Zula Kropivnitski British Columbia, Canada Chief Financial Officer	Certified General Accountant	October 12, 2012 to present	Nil
Christopher Taylor(2) British Columbia, Canada Vice President Resource Investment and Director	Professional Geologist	November 10, 2010 to present	50,000 0.1%
Andrew Edelberg Ontario, Canada Vice President Corporate Development	Investment analyst and research associate	October 12, 2012 to present	Nil
Darold H. Parken(2)(3)(4) Alberta, Canada Non-Executive Chairman and Director	Principal, Parken & Company, Corporate Counsel since 1990, CFO of Challenger Deep Resources Corp. since November 2011 and prior thereto, President and CEO of Chartwell Technology Inc. from November 1998 to January 2012	November 18, 1996 to November 26, 1996 and April 2, 2003 to present	1,235,121 2.8%
Patrick McAndless(2)(4) British Columbia, Canada Director	Professional Geologist	October 21, 2010 to present	Nil

Name, Municipality of Residence and Position with the Corporation	Principal Occupation for Past Five Years	Period during which the Directors or Officers have served as Directors or Officers of the Corporation	Number and Percentage of Securities Beneficially Owned or over which Control or Direction is Exercised(1)(5)
Peter Shippen(4) Ontario, Canada Director	President, Redwood Asset Management Inc.	October 12, 2012 to present	Nil

Notes:

(1) Information as to the number of Common Shares beneficially owned or over which direction is exercised has been provided by the respective individuals named therein. The percentage figures reflects the number of Common Shares to be held assuming completion of the Proposed COB.

(2) Member of the Audit Committee of the Corporation.

(3) Proposed member of the Investment Committee assuming completion of the Proposed COB.

(4) Member of the Corporate Governance, Compensation and Compliance Committee of the Corporation.

(5) Calculated on a fully diluted basis and assumes completion of the Proposed COB.

The experience of management of the Corporation will be instrumental to the Corporation in providing it with a reasonable opportunity to achieve its stated business objectives pursuant to the Proposed COB. Please see disclosure under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*" for a brief description of the background of certain members of management, along with the description for each of the individuals included below.

Zula Kropivnitski, ***Chief Financial Officer*** **(Age: 50)**

Ms. Kropivnitski is a Certified General Accountant with over 10 years of international experience in the resource sector. Prior to joining Electric Metals Inc., Ms. Kropivnitski acted as the Controller to Sacre-Coeur Minerals and African Queen Mines Ltd, companies involved in exploration and production activities in Africa and South America. Ms. Kropivnitski has also served as Senior Accountant to Manex Resource Group, its group of mining exploration companies and has been involved in all areas of financial reporting, corporate finance and related aspects of regulatory compliance. She received her Master of Mathematics and Master of Economics degrees in Russia, her CGA designation in British Columbia and later obtained her ACCA designation from the Association of Chartered Certified Accountants, a global body for accounting professionals.

Andrew Edelberg, ***Vice President Corporate Development*** **(Age: 28)**

Mr. Edelberg graduated with a Bachelor of Commerce from McGill University. Mr. Edelberg has previously worked as a research associate in the Metals and Mining, and Oil and Gas sectors. Before joining Planet Mining, Mr. Edelberg was employed at Birkenshaw & Company Ltd. as Vice President and was responsible for investment analysis and assisting in investment strategy. Mr. Edelberg has completed his Chartered Financial Analyst Level 3 examination and is currently awaiting his CFA Charter.

Effect of the Proposed COB on the Corporation's Share/Security Structure

The Corporation expects that there will be no change in the existing share structure of the Corporation as a result of the Proposed COB, and that no Common Shares or other securities of the Corporation will be issued in connection with the Proposed COB.

Executive Compensation Following the Proposed COB

The information below contains disclosure of anticipated compensation, to the extent known, for the proposed NEOs of the Corporation for the 12-month period after giving effect to the Proposed COB:

Name and principal position	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
				Annual incentive plans	Long-term incentive plans			
David Birkenshaw CEO	1	Nil	6,000	Nil	Nil	Nil	Nil	6,001
Zula Kropivnitski(1) CFO	26,400(1)	Nil	6,000	Nil	Nil	Nil	Nil	32,400
Antonio M. Ricci President	TBD(2)	Nil	TBD	Nil	Nil	Nil	Nil	TBD
Andrew Edelberg Vice President Corporate Development	21,000(3)	Nil	TBD	Nil	Nil	Nil	Nil	21,000
Christopher Taylor Vice President Resource Investment	TBD	Nil	TBD	Nil	Nil	Nil	Nil	TBD

Notes:

(1) It is currently anticipated that Ms. Kropivnitski. will be paid $2,200/month or $26,400/year.

(2) "TBD" means "to be determined" by the Board following completion of the Proposed COB. The compensation will be dependent on the services actually required to be provided to the Corporation, the extent of which has not yet been determined.

(3) It is currently anticipated that Mr. Edelberg will be paid $7,000/month for each of the three months of the Corporation's first quarter ended June 30, 2013. The Board will thereafter determine Mr. Edelberg's compensation for the remainder of the fiscal year.

Available Funds and Principal Purposes of Funds

The Corporation estimates that it will have approximately $3,500,000 in cash reserves after the completion of the Proposed COB based on the estimated consolidated working capital of the Corporation as at January 31, 2013.

The Corporation intends to use these funds to pay for general and administrative expenses, which are expected to include salaries and bonuses, management fees, consulting fees, professional fees (legal and accounting), rent, office expenses, investor relations expenses, insurance and fees payable to the Corporation's auditor and transfer agent, and to fund the purchase of the investments to be included in its investment portfolio in accordance with the investment objective, strategy and restrictions set out herein.

Interests of Insiders

The directors and officers of the Corporation and their associates and affiliates, as a group, beneficially own, or control or direct, directly or indirectly, an aggregate of 3,368,121 Common Shares and 2,420,000 options, representing approximately 8 percent of the outstanding Common Shares and approximately 74 percent of the outstanding options, respectively (and, which together represent approximately 13 percent of the outstanding Common Shares on a fully-diluted basis).

RISK FACTORS

The Proposed COB exposes the Corporation to a number of additional risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following outlines certain risk factors associated with the Proposed COB and those risk factors specific to the Corporation.

No Assurance of Exchange Approval

The Proposed COB constitutes a Change of Business pursuant to the policies of the Exchange. Prior to mailing of this Circular, the Exchange had not provided conditional acceptance of the Proposed COB. There can be no assurance that the Corporation will be able to satisfy the requirements of the Exchange such that the Exchange will provide approval of the Proposed COB and issue the Final Exchange Bulletin.

No Operating History as an Investment Issuer

The Corporation does not have any record of operating as an investment issuer or undertaking merchant banking operations. As such, upon completion of the Proposed COB, the Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Corporation will not achieve its financial objectives as estimated by management or at all. Furthermore, past successes of management, the Board or the Investment Committee does not guarantee future success.

Portfolio Exposure and Sensitivity to Macro-Economic Conditions

Given the nature of Planet Mining's proposed investment activities, the results of operations and financial condition of the Corporation will be dependent upon the market value of the securities that will comprise the Corporation's investment portfolio. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect the resource sector. Various factors affecting the resource sector could have a negative impact on Planet Mining's portfolio of investments and thereby have an adverse effect on its business. Additionally, the Corporation may invest in small-cap businesses that may never mature or generate adequate returns or may require a number of years to do so. Junior exploration companies may never achieve commercial discoveries and production. This may create an irregular pattern in the Corporation's investment gains and revenues (if any).

Macro factors such as fluctuations in commodity prices and global political and economic conditions could also negatively affect the Corporation's portfolio of investments. Due to the Corporation's proposed focus on the resource industry, the success of Planet Mining's investments will be interconnected to the strength of the mining, agriculture and other commodity industries. The Corporation may be adversely affected by the falling share prices of the securities of investee companies; as such, share prices may directly and negatively affect the estimated value of Planet Mining's portfolio of investments. Moreover, company-specific risks, such as the risks associated with mining operations generally, could have an adverse effect on one or more of the investments that may comprise the portfolio at any point in time. Company-specific and industry-specific risks that may materially adversely affect the Corporation's investment portfolio may have a materially adverse impact on operating results. The factors affecting current macro economic conditions are beyond the control of the Corporation.

Furthermore, the occurrence of unforeseen or catastrophic events, including the emergence of a pandemic or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks or natural disasters, could create economic and financial disruptions and could lead to operational difficulties that could impair the Corporation's ability to manage its business.

Cash Flow and Revenue

Assuming completion of the Proposed COB, it is expected that Planet Mining's revenue and cash flow will be generated primarily from financing activities and proceeds from the disposition of investments. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Corporation's direct control. The Corporation's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in market conditions generally or to matters specific to the Corporation, or if the value of its investments decline, resulting in losses upon disposition.

Private Issuers and Illiquid Securities

Planet Mining may invest in securities of private issuers, illiquid securities of public issuers and publicly-traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Corporation and there is no assurance that an adequate market will exist for investments made by the Corporation. Many of the investments made by the Corporation may be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Corporation or other investors.

Volatility of Stock Price

The market price of the Common Shares have been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Corporation is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Corporation should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Corporation should not constitute a major portion of an investor's portfolio.

Trading Price of the Common Shares Relative to Net Asset Value

Assuming completion of the Proposed COB, the Corporation will neither be a mutual fund nor an investment fund and, due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of the Common Shares, at any time, may vary significantly from the Corporation's net asset value per Common Share. This risk is separate and distinct from the risk that the market price of the Common Shares may decrease.

Available Opportunities and Competition for Investments

Assuming completion of the Proposed COB, the success of the Corporation's operations will depend upon, among others: (a) the availability of appropriate investment opportunities; (b) the Corporation's ability to identify, select, acquire, grow and exit those investments; and (c) the Corporation's ability to generate funds for future investments. Planet Mining can expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as Planet Mining, will have a longer operating history and may be better capitalized, have more personnel and have different return targets. As a result, the Corporation may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit the Corporation's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can also be no assurance that the Corporation will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Corporation is unable to find and make a sufficient number of investments.

Share Prices of Investments

Investments in securities of public companies are subject to volatility in the share prices of such companies. There can be no assurance that an active trading market for any of the subject shares comprising the Corporation's investment portfolio is sustainable. The trading prices of such subject shares could be subject to wide fluctuations in response to various factors beyond Planet Mining's control, including, but not limited to, quarterly variations in the subject companies' results of operations, changes in earnings, results of exploration and development activities, estimates by analysts, conditions in the resource industry and general market or economic conditions. In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Corporation's investments.

Concentration of Investments

Other than as described herein, assuming completion of the Proposed COB, there are no restrictions on the proportion of the Corporation's funds and no limit on the amount of funds that may be allocated to any particular investment. The Corporation may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment in a particular company, commodity or geographic area, resulting in the performance of the Corporation depending significantly on the performance of such company, commodity or geographic area.

Dependence on Management, Directors and Investment Committee

Assuming completion of the Proposed COB, Planet Mining will be dependent upon the efforts, skill and business contacts of key members of management, the Board and the Investment Committee for, among other things, the information and deal flow they generate during the normal course of their activities and the synergies that exist amongst their various fields of expertise and knowledge. Accordingly, the Corporation's success may depend upon the continued service of these individuals to the Corporation. The loss of the services of any of these individuals could have a material adverse effect on the Corporation's revenues, net income and cash flows and could harm its ability to maintain or grow assets and raise funds.

From time to time, Planet Mining will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Corporation's success and there can be no assurance of its ability to attract and retain such personnel. If the Corporation is not successful in attracting and training qualified personnel, the Corporation's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Additional Financing Requirements

The Corporation anticipates ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any limitations on the Corporation's ability to access the capital markets for additional funds could have a material adverse effect on its ability grow its investment portfolio.

No Guaranteed Return

There is no guarantee that an investment in the securities of the Corporation will earn any positive return in the short-term or long-term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. The Corporation's past performance provides no assurance of its future success.

Due Diligence

The due diligence process undertaken by the Corporation in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Corporation will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Corporation will rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Exchange Rate Fluctuations

Assuming completion of the Proposed COB, it is anticipated that a proportion of the Corporation's investments will be made in Canadian dollars and the Corporation may also invest in securities denominated or quoted in U.S. dollars or other foreign currencies. Changes in the value of the foreign currencies in which the Corporation's investments are denominated could have a negative impact on the ultimate return on its investments and overall financial performance.

Non-Controlling Interests

The Corporation's investments are likely to consist only of debt instruments and equity securities of companies that it does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which Planet Mining does not agree or that the majority stakeholders or the management of the investee company may take risks or otherwise act in a manner that does not serve the Corporation's interests. If any of the foregoing were to occur, the values of the Corporation's investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Potential Conflicts of Interest

Certain of the directors and officers of the Corporation and the members of the Investment Committee are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Corporation. These include serving as directors, officers, advisers or agents of other public and private companies, including companies involved in similar businesses to the Corporation or companies in which the Corporation may invest, management of investment funds, purchases and sales of securities and investment and management counselling for other clients. Such conflicts of the Corporation's directors and officers and members of the Investment Committee may result in a material and adverse effect on Planet Mining's results of operations and financial condition.

Potential Transaction and Legal Risks

The Corporation intends to manage transaction risks through allocating and monitoring its capital investments in circumstances where the risk to its capital is minimal, carefully screening transactions, and engaging qualified personnel to manage transactions, as necessary. Nevertheless, transaction risks may arise from the Corporation's investment activities. These risks include market and credit risks associated with its operations. An unsuccessful investment may result in the total loss of such an investment and may have a material adverse effect on the Corporation's business, results of operations, financial condition and cash flow.

The Corporation may also be exposed to legal risks in its business, including potential liability under securities or other laws and disputes over the terms and conditions of business arrangements. The Corporation also faces the possibility that counterparties in transactions will claim that it improperly failed to inform them of the risks involved or that they were not authorized or permitted to enter into such transactions with the Corporation and that their obligations to Planet Mining are not enforceable. During a prolonged market downturn, the Corporation expects these types of claims to increase. These risks are often difficult to assess or quantify and their existence and magnitude often remains unknown for substantial periods of time. The Corporation may incur significant legal and other expenses in defending against litigation involved with any of these risks and may be required to pay substantial damages for settlements and/or adverse judgments. Substantial legal liability or significant regulatory action against Planet Mining could have a material adverse effect on its results of operations and financial condition.

SPONSORSHIP

Byron Capital Markets Ltd. has agreed to act as sponsor for the Proposed COB pursuant to a sponsorship agreement dated October 19, 2012. The Sponsor will receive a fee of $15,000 for providing sponsorship services, including conducting the appropriate due diligence on both the Proposed COB and this Circular in compliance with Policy 2.2. The Corporation will also reimburse the Sponsor for expenses incurred. The Sponsor owns no securities of the Corporation.

ESCROW ARRANGEMENTS

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no securities of Planet Mining are currently held in escrow. In connection with the Proposed COB, the securities of Planet Mining held by the Corporation's "Principals" (as such term is used in National Policy 46-201 – *Escrow for Initial Public Offerings*) may be placed in escrow in accordance with relevant Exchange policies. A Principal's securities are generally not required to be placed in escrow if such securities carry less than one (1%) percent of the voting rights attached to the Corporation's outstanding securities.

Pursuant to the foregoing, it is expected that the securities held by David Birkenshaw, being 2,083,000 Common Shares and Nil options, and Darold H. Parken, being 1,235,121 Common Shares and 425,000 options, shall be placed in escrow pursuant to an escrow agreement. Subject to Exchange approval, it is expected that 25% of the escrowed Common Shares for each of Mr. Birkenshaw and Mr. Parken will be released from escrow on the issuance of the Final Exchange Bulletin in respect of the Proposed COB and an additional 25% will be released on the dates 6 months, 12 months and 18 months following the date of the Final Exchange Bulletin.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No individual who is or was a director, executive officer or employee of the Corporation or any of its subsidiaries, any proposed nominee for election as a director of the Corporation or any associate of such director or officer, is as at the date hereof, or at any time since the beginning of the most recently completed financial year, indebted to the Corporation or any of its subsidiaries, or is as at the date hereof, or at any time since the beginning of the most recently completed financial year, indebted to another entity that is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries during that period.

LEGAL PROCEEDINGS

Management knows of no legal proceedings, contemplated or actual, involving the Corporation, which could materially affect the Corporation.

MATERIAL CONTRACTS

Since its incorporation, the Corporation has entered into the following material contracts, other than those entered into in the ordinary course of business. Such agreements may be examined or copies may be obtained from the Corporation's head office at Suite 302, 750 West Pender Street, Vancouver, British Columbia V6C 2T7, Tel.: (604) 681-0084 until a date that is 30 days after the closing of the Proposed COB:

1. the Option Agreement; and
2. the Share Option Plan.

For additional information on the Corporation's material contracts, refer to the Corporation's annual audited consolidated financial statements and Management's Discussion & Analysis for the year ended March 31, 2012 available on SEDAR at www.sedar.com.

DIVIDEND POLICY

The Corporation has no fixed dividend policy and no dividends have been declared on any class of shares of the Corporation since the date of incorporation. The payment of dividends is subject to the discretion of the Board and will depend on, among other factors, earnings, capital requirements and operating and financial condition. The Corporation does not intend to pay dividends in the foreseeable future but instead intends to retain future earnings, if any, to finance the growth and development of the Corporation's business.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Corporation is Computershare Trust Company of Canada, Suite 600, 530 – 8th Avenue SW, Calgary, Alberta T2P 3S8.

GENERAL MATTERS

Relationships

Other than the sponsorship agreement entered into by the Corporation with the Sponsor disclosed under the heading "*Sponsorship*", there are no actual or anticipated agreements between the Corporation or any registrant to provide sponsorship or corporate finance services either now or in the future.

Interest of Experts

Cinnamon Jang Willoughby, Chartered Accountants, the auditors of the Corporation, does not: (a) have a direct or indirect interest in the property of the Corporation or the expected property of the Corporation following completion of the Proposed COB; or (b) beneficially own, directly or indirectly, any securities of the Corporation or any associate or affiliate of the Corporation.

Cinnamon Jang Willoughby, Chartered Accountants has confirmed it is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders of the Corporation may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis by sending a written request addressed to Suite 302, 750 West Pender Street, Vancouver, British Columbia V6C 2T7, Attention: Chief Executive Officer, via telephone: (604) 681-0084 or facsimile: (604) 681-0094. Financial information is provided in the Corporation's annual financial statements and management's discussion and analysis for its most recently completed financial year.

DIRECTORS' APPROVAL

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED at Vancouver, British Columbia, this 8th day of February, 2013.

BY ORDER OF THE BOARD OF DIRECTORS OF PLANET MINING EXPLORATION INC.

(signed) "Darold H. Parken"
Darold H. Parken
Chairman of the Board

CERTIFICATE OF PLANET MINING EXPLORATION INC.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Planet Mining Exploration Inc. assuming completion of the Proposed COB.

Dated as of February 8, 2013.

(signed) "David Birkenshaw"
David Birkenshaw, Chief Executive Officer

(signed) "Zula Kropivnitski"
Zula Kropivnitski, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Antonio M. Ricci"
Antonio M. Ricci, Director

(signed) "Darold H. Parken"
Darold H. Parken, Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any items in the attached Circular that are analogous to items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of Form 3D1 of the Exchange, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B to the Corporate Finance Manual of the Exchange) pursuant to Form 3D1 of the Exchange; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED as of February 8, 2013.

PLANET MINING EXPLORATION INC.

Per: *(signed) "David Birkenshaw"*
David Birkenshaw
Chief Executive Officer

SCHEDULE "A"

RESOLUTION

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the management information circular of Planet Mining Exploration Inc. dated as at February 8, 2013.

To Approve the Proposed COB:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

(1) The Corporation be, and is hereby, authorized and directed to proceed with the Proposed COB of the Corporation from a "junior mineral exploration company" to an "investment issuer", including but not limited to the proposed change of name of the Corporation to "Coldbridge Resources Corp." or such other name as the Board may determine and that is acceptable to the Exchange and applicable regulatory authorities, as more particularly described in the Circular;

(2) The Corporation be and it is hereby authorized to prepare and file any application for orders, consents and approvals and any other documents reasonably considered necessary under applicable laws in connection with the Proposed COB;

(3) Notwithstanding that this ordinary resolution has been duly passed by the shareholders of the Corporation, the Board may revoke this resolution at any time and determine not to proceed with the Proposed COB as contemplated hereby if such revocation is considered desirable by the Board without further approval of the shareholders of the Corporation; and

(4) Any one director or officer of the Corporation be, and is hereby, authorized and directed to do all such acts and things and to execute and deliver all agreements, instruments and documents as such director or officer shall deem necessary to give full force and effect to the foregoing resolutions."

SCHEDULE “B”

FINANCIAL STATEMENTS

Please see attached.

Planet Mining Exploration Inc.

(formerly Planet Exploration Inc.)

Financial Statements

Years Ended March 31, 2012 and 2011

(Expressed in Canadian Dollars)

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Index to Financial Statements
March 31, 2012 and 2011
(Expressed in Canadian Dollars)

HLB Cinnamon Jang Willoughby

Chartered Accountants

A Partnership of Incorporated Professionals

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Planet Mining Exploration Inc. (formerly Planet Exploration Inc.):

We have audited the accompanying financial statements of Planet Mining Exploration Inc. (formerly Planet Exploration Inc.), which comprise the statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010 and the statements of operations and comprehensive loss, statements of changes in equity and statements of cash flows for the years ended March 31, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Planet Mining Exploration Inc. (formerly Planet Exploration Inc.) as at March 31, 2012, March 31, 2011 and April 1, 2010 and its financial performance and its cash flows for the years ended March 31, 2012 and 2011 in accordance with International Financial Reporting Standards.

"Cinnamon Jang Willoughby"

Chartered Accountants

Burnaby, BC
July 19, 2012

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	March 31, 2012	March 31, 2011 (Note 14)	April 1, 2010 (Note 14)
ASSETS			
Current assets			
Cash and cash equivalents	**$ 2,733,717**	$ 5,628,154	$ 4,498,886
Investments in equity instruments (Note 4)	**750**	2,850	1,675
Receivables (Note 5)	**609,630**	21,901	11,231
Reclamation bond (Note 7)	**50,000**	-	-
Prepaid expenses (Note 11)	**52,422**	6,638	-
Total current assets	**3,446,519**	5,659,543	4,511,792
Equipment	**-**	-	1,000
Resource properties (Note 6 and 11)	**7,599,395**	5,530,858	5,329,531
Total assets	**$ 11,045,914**	$ 11,190,401	$ 9,842,323
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities (Note 8)	**$ 184,090**	$ 146,853	$ 98,013
Total liabilities	**184,090**	146,853	98,013
SHAREHOLDERS' EQUITY			
Capital and reserves			
Share capital (Note 9)	**13,055,279**	12,874,829	11,341,692
Contributed surplus (Note 9)	**1,697,040**	1,488,156	1,184,223
Accumulated other comprehensive loss	**(5,350)**	(3,250)	(4,425)
Deficit	**(3,885,145)**	(3,316,187)	(2,777,180)
Total equity	**10,861,824**	11,043,548	9,744,310
Total liabilities and equity	**$ 11,045,914**	$ 11,190,401	$ 9,842,323

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 15)

Approved and authorized by the Board of Directors

"Christopher Taylor" Director *"Tony M. Ricci"* Director

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Years ended March 31, **2012**	2011 (Note 14)
Expenses		
Depreciation	**$ -**	$ 1,000
Insurance	**13,513**	-
Management fees (Note 11)	**100,506**	87,335
Office, general and consulting (Note 11)	**174,979**	70,247
Professional fees (Note 11)	**43,717**	52,396
Rent (Note 11)	**24,336**	7,924
Share-based compensation (Note 11)	**169,068**	352,545
Transfer agent and filing fees	**20,977**	5,985
Travel, promotion and shareholder information (Note 11)	**79,597**	8,301
Total expenses	**626,693**	585,733
Other income		
Interest income	**(57,735)**	(46,726)
Net loss for the period	**$ 568,958**	$ 539,007
Deficit, beginning of period	**$ (3,316,187)**	$ (2,777,180)
Deficit, end of period	**$ (3,885,145)**	$ (3,316,187)
Basic and diluted loss per common share	**$ (0.015)**	$ (0.017)
Weighted average number of common shares outstanding	**36,926,403**	31,058,012
Net loss for the period	**$ 568,958**	$ 539,007
Change in fair value on investment in equity instruments		
Unrealized loss (gain) on available-for-sale securities, net of tax	**2,100**	(1,175)
Net comprehensive loss for the period	**$ 571,058**	$ 537,832

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	*Amount*	*Contributed Surplus*	*Accumulated Other Comprehensive Loss*	*Deficit*	*Total*
Balance, April 1, 2010 (Note 14)	25,319,190	$ 11,341,692	$ 1,184,223	$ (4,425)	$ (2,777,180)	$ 9,744,310
Shares issued for resource properties	330,000	89,100	-	-		89,100
Stock options exercised	825,000	140,250	-	-	-	140,250
Fair value of stock options exercised	-	80,990	(80,990)	-	-	-
Warrants exercised	150,000	37,500		-	-	37,500
Shares issued for cash	10,000,000	1,200,000	-	-	-	1,200,000
Share issue costs		(14,703)	-	-	-	(14,703)
Share-based compensation	-	-	384,923	-	-	384,923
Unrealized loss on available-for-sale securities	-	-	-	1,175	-	1,175
Net loss for the period	-	-	-	-	(539,007)	(539,007)
Change during the period	11,305,000	1,533,137	303,933	1,175	(539,007)	1,299,238
Balance, March 31, 2011 (Note 14)	36,624,190	$ 12,874,829	$ 1,488,156	(3,250)	$ (3,316,187)	$ 11,043,548
Share-based compensation	-	-	208,884	-	-	208,884
Shares issued for resource property	915,000	180,450	-	-	-	180,450
Unrealized gain on available-for-sale securities, net of tax	-	-	-	(2,100)	-	(2,100)
Net loss for the period	-	-	-	-	(568,958)	(568,958)
Change during the period	915,000	180,450	208,884	(2,100)	(568,958)	(181,724)
Balance, March 31, 2012	37,539,190	$ 13,055,279	$1,697,040	(5,350)	$ (3,885,145)	$ 10,861,824

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years Ended March 31, 2012	2011 (Note 14)
Cash used in operating activities		
Net loss for the period	**$ (568,958)**	$ (539,007)
Items not involving cash:		
Depreciation	**-**	1,000
Interest accrued	**(350)**	-
Share-based compensation	**169,068**	352,545
	(400,240)	(185,462)
Changes in non-cash working capital items:		
Receivables	**(189,149)**	(10,670)
Reclamation bond	**(50,000)**	-
Prepaid expenses	**(53,421)**	(6,638)
Accounts payable and accrued liabilities	**(14,387)**	48,840
Net cash used in operating activities	**(707,197)**	(153,930)
Net cash used in investing activities		
Additions to resource properties	**(2,187,240)**	(79,849)
Cash received from financing activities		
Units issued for cash	**-**	1,200,000
Issue costs	**-**	(14,703)
Options exercised	**-**	177,750
Net cash received from financing activities	**-**	1,363,047
(Decrease) Increase in cash and cash equivalents	**$ (2,894,437)**	$ 1,129,268
Cash and cash equivalents, beginning of period	**$ 5,628,154**	$ 4,498,886
Cash and cash equivalents, end of period	**$ 2,733,717**	$ 5,628,154

Supplementary cash flow information (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Planet Mining Exploration Inc. ("the Company") was incorporated in Canada as Planet Exploration Inc. on January 29, 1996 under the Alberta Business Corporations Act. On April 12, 2012, the Company changed its name to Planet Mining Exploration Inc. under the British Columbia Business Corporations Act. The Company's registered office and its principal place of business is located at Suite 302, 750 West Pender Street, Vancouver, BC Canada V6C 2T7.

The Company is in the business of acquiring, exploring and developing gold, copper, silver and other mineral properties, both directly and through joint ventures in Canada. The Company's shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol "PXI".

To date, the Company has not generated significant revenues from operations and is considered to be an exploration stage company. These financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company are primarily dependent upon its ability to raise exploration financing from equity markets or by selling or optioning its resource properties. Recovery of the capitalized carrying costs shown for mineral properties will likely require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

2. BASIS OF PREPARATION

(a) Statement of compliance

These are the Company's first annual financial statements 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 ("IFRIC") in effect at March 31, 2012, with significant accounting policies as described in Note 3. These financial statements have been prepared in accordance with IAS 1, Presentation of Financial Statements and IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1") with a transition date of April 1, 2010. The Company has elected to present the statement of operations and comprehensive loss in a single statement.

The financial statements of the Company for the year ended March 31, 2012 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 19, 2012. Shortly thereafter, the financial statements are made available to shareholders and others through filing on the System for Electronic Document Analysis and Retrieval ("SEDAR").

2. BASIS OF PREPARATION *(continued)*

(b) First-time Adoption of IFRS

The preparation of these financial statements resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian Generally Accepted Accounting Principles ("GAAP") (for the year ended March 31, 2011). The accounting policies set out below have been applied consistently to all periods presented in these financial statements. They have also been applied in preparing an opening IFRS balance sheet at April 1, 2010 for the purposes of the transition to IFRS, as required by IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from GAAP to IFRS is explained in Note 14.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are expected to be adopted for the year ending March 31, 2012 and have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position at April 1, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

(a) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS (Note 3(c)). These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

(b) Foreign currencies

The Company's functional and reporting currency for all its operations is the Canadian dollar as this is the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the date of the statement of financial position. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

The financial results of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency. The presentation currency of the Company is Canadian Dollars. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Foreign currencies *(continued)*

transactions which are translated at the rate of exchange in effect at the transaction date. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange ruling at the reporting date. Differences arising on translation from the transition date are recognized as other comprehensive income. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in a foreign operation and are recognized in other comprehensive income. On disposal of part or all of the operations, the proportionate share of the related cumulative gains and losses previously recognized in the comprehensive income are included in determining the profit or loss on disposal of that operation.

(c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.
i) Financial assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired:

- fair value through profit or loss (“FVTPL”);
- held-to-maturity (“HTM”);
- available-for-sale (“AFS”); and
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. All transactions related to financial instruments are recorded on a trade date basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

i) Financial assets *(continued)*

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held-to-maturity ("HTM")

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 asset 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 profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale ("AFS")

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or financial assets or financial liabilities at fair value through profit or loss investments. Available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized or deemed to be an other than temporary impairment when the cumulated loss is transferred to other income.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

i) Financial assets *(continued)*

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.
The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

i) Financial assets *(continued)*

Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company has classified cash and cash equivalents as FVPTL, investments in equity instruments as available-for-sale, reclamation bond as held-to-maturity, and receivables as loans and receivables.

ii) Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or "other financial liabilities".

Fair value through profit or loss ("FVTPL")

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 unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through statement of comprehensive loss.

Other financial liabilities

This category includes promissory notes, amounts due to related parties, and accounts payable and accrued liabilities, all of which are recognized at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classified its financial liabilities, which consisted of accounts payable and accrued liabilities, as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

ii) Financial liabilities *(continued)*

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iii) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments with a maturity less than 90 days on acquisition that are readily convertible into known amounts of cash.

(e) Short-term deposits

The Company considers short-term deposits to include amounts held in banks and highly liquid investments with maturities of more than 90 days and less than one year on acquisition.

(f) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognized in profit and loss as it accrues, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Equipment

Equipment is recorded at historical cost less accumulated depreciation and impairment charges. Equipment is depreciated on a straight line basis over 5 years.

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditures relating to an item of property and equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expenses during the period in which they are incurred. An item of equipment is derecognized 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 the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and recognized in profit or loss.

(h) Resource properties

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of resource properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

Where the Company has entered into option agreements to acquire interests in mineral properties that provide for periodic payments or periodic share issuances, amounts unpaid and unissued are not recorded as liabilities since they are payable and issuable entirely at the Company's option. Option payments are recorded as resource property costs when the payments are made and the share issuances are recorded as resource property costs using the fair market value of the Company's common shares at the date the counterparty's performance is complete or the issuance date, whichever is more determinable.When a project has been established as commercially viable and technically feasible, related development costs are capitalized into development costs on the statement of financial position. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development costs.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Resource properties *(continued)*

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to the statement of operations and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

(i) Impairment of non-financial assets

At each date of the statement of financial position, the Company's carrying amounts of its assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit of loss for the period, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) General provisions, contingent liabilities and assets

Provisions are recognized when the Company has present legal or constructive obligation 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, where appropriate, the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities arising from present obligations are recognized in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any depreciation.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

Restoration and environmental rehabilitation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The Company is required to record the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increase the carrying value of the related assets for that amount. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in the statement of operations.
Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation using either the unit-of-production or the straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) General provisions, contingent liabilities and assets *(continued)*

Restoration and environmental rehabilitation provision (continued)

The Company has not incurred any material restoration, rehabilitation and environmental costs to date.

(k) Share capital

The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date of issue.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values as follows: the fair value of the common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model.

(l) Share-based compensation

The Company has a stock option plan as described in Note 9(c). An individual is classified as an employee, versus a consultant, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Compensation expense attributable to share based awards to employees is measured at the fair value at the date of grant using the Black-Scholes model, and is recognized over the period that the employee becomes unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value, under the Black-Scholes model, takes into account a number of variables, including the exercise price of the award, the expected dividend rate, the expected life of the options, forfeiture rate and the risk free interest rate.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Share-based compensation *(continued)*

fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credit to share capital, adjusted for any consideration paid.

(m) Accounting for flow-through shares

The Company finances a significant portion of its exploration activities through financings in which flow-through common shares are issued. These shares transfer the tax deductibility of qualifying resource expenditures to investors. While IFRS contains no specific guidance on accounting for flow-through shares, the Company has chosen to adopt the following accounting policy.

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the "flow-through commitment") as follows:

- Warrant reserve – if warrants are being issued, based on the valuation derived using the Black-Scholes option-pricing model;

- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature; and

- Share capital – the residual balance.

Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets as explained in Note 3(h).

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period). Additionally, the Company reverses the liability for the flow-through share premium to income, on a proportionate basis, as an offset to deferred tax expense.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

i) Current income tax

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

ii) Deferred income tax

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 purposes.

Deferred tax is not recognized for the following temporary differences:

- liabilities arising from initial recognition of goodwill for which depreciation is not deductible for tax purposes;
- liabilities arising from the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit; and
- liabilities arising from undistributed profits from investments where the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

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 current tax liabilities and assets, 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Income taxes *(continued)*

iii) Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(o) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic 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 proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Currently, the effect of potential issuances of shares under stock options and warrants would be anti-dilutive and accordingly, basic and diluted loss per share are the same.

(p) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. The Company's comprehensive loss, components of other comprehensive loss, and cumulative translation adjustments are presented in the statements of comprehensive loss and the statements of changes in equity.

(q) Significant accounting judgments and estimates

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 reported amounts of expenses during the period. Actual results could differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Significant accounting judgments and estimates *(continued)*

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of receivables which are included in the statements of financial position;
- the carrying value and the recoverability of resource properties, which are included in the statements of financial position;
- the estimated useful lives of equipment which are included in the statements of financial position and the related depreciation included in profit or loss; and
- the inputs used in the accounting for share-based compensation expense included in profit or loss.

(r) Standards, amendments and interpretations not yet effective

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations. Those standards that are expected to be relevant to the Company are detailed below, but, have not been early adopted by the Company as they are not yet effective.

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods:

IAS 1 Presentation of Financial Statements

An amendment to IAS 1 was issued by the IASB in June 2011. The amendment requires separate presentation for items of other comprehensive income that would be reclassified to the statement of income in the future if certain conditions are met, from those that would never be reclassified to the statement of income. The effective date is July 1, 2012, with earlier adoption permitted.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Standards, amendments and interpretations not yet effective *(continued)*

IAS 12 Income Taxes

An amendment to IAS 12 was issued by the IASB in June 2011. The amendment removes subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendments introduce a presumption that entities will assess whether the carrying value of an asset will be recovered through the sale of the asset. These amendments are effective for annual periods beginning on or after January 1, 2012, with earlier adoption permitted.

IAS 32 Financial Instruments: Presentation

IAS 32 was amended by the IASB in December 2011. The amendment clarifies that an entity that has a legally enforceable right to offset financial assets and financial liabilities if that right is not contingent on a future event and it is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014, with earlier adoption permitted.

IFRS 7 Financial Instruments: Disclosures

IFRS 7 was amended by the IASB in December 2011. The amendment contains new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar agreements. These new disclosure requirements will enable users of the financial statements to better compare financial statements prepared in accordance with IFRS. IFRS 7 is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted.

IFRS 9 Financial Instruments

IFRS 9 was issued by the IASB in November 2009 and will replace IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. In December 2011, the IASB issued amendments to IFRS 9 that defer the mandatory effective date to annual periods beginning on or after January 1, 2015. The amendments also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9 which was originally limited to companies that chose

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Standards, amendments and interpretations not yet effective *(continued)*

IFRS 9 Financial Instruments (continued)

to apply IFRS 9 prior to 2012. Alternatively, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

IFRS 13 Fair Value Measurement

IFRS 13 was issued by the IASB in May 2011. This standard clarifies the definition of fair value, required disclosures for fair value measurement, and sets out a single framework for measuring fair value. IFRS 13 provides guidance on fair value in a single standard, replacing the existing guidance on measuring and disclosing fair value which is dispersed among several standards. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company. These Standards and Interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

4. INVESTMENT IN EQUITY INSTRUMENTS

Investment in equity instruments consist of common shares of a publicly traded company, and therefore has no fixed maturity date or coupon rate. The fair value of the listed investment has been determined directly by reference to published price quotations in an active market. During the period the Company recorded a decrease in fair value of the investment in the amount of $2,100 (2011 - $1,175 increase) in other comprehensive loss.

As at March 31, 2012, the cost of investment in equity instruments amounts to $6,100 (2011 - $6,100).

(Expressed in Canadian Dollars)

5. RECEIVABLES

The Company's receivables relates to Harmonized Sales Tax (HST) receivable and Mineral Exploration Tax Credit due from Canadian government taxation authorities, interest receivable and advances to a director and an officer of the Company. The receivables balance is broken down as follows:

	March 31, 2012	*March 31, 2011*	*April 1, 2010*
HST recoverable	**$ 202,999**	$ 13,653	$ 11,231
Mineral Exploration Tax Credit receivable	**390,593**	-	-
Interest receivable	**350**	-	-
Other receivable (Note 11)	**7,440**	-	-
Advances (Note 11)	**8,248**	8,248	-
	$ 609,630	$ 21,901	$ 11,231

6. RESOURCE PROPERTIES

	Red Lake (Sidace Lake) Property	***Golden Loon Property***	***Total***
Balance, April 1, 2010(Note14)	$ 5,329,531	$ -	$ 5,329,531
Acquisition costs	-	155,487	155,487
Exploration costs	-	45,840	45,840
Change during the period	-	201,327	201,327
Balance, March 31, 2011	5,329,531	201,327	5,530,858
Acquisition costs	-	443,136	443,136
Exploration advance	-	100,000	100,000
Exploration costs	-	1,915,994	1,915,994
Mineral Exploration Tax Credit	-	(390,593)	(390,593)
Change during the period	-	2,068,537	2,068,537
Balance, March 31, 2012	$ 5,329,531	$ 2,269,864	$ 7,599,395

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

6. RESOURCE PROPERTIES *(continued)*

Golden Loon, British Columbia

On February 15, 2011, the Company signed an option agreement with Tilava Mining Corporation, a private company, to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon gold and copper project located 80 kilometres north of Kamloops, British Columbia. Pursuant to the terms of the option agreement, the Company must:

(a) pay in the aggregate $500,000 to Tilava Mining Corporation as follows:

- (i) $10,000 upon signing of the agreement (paid);
- (ii) $90,000 upon approval by TSX Venture Exchange (paid);
- (iii) $200,000 on or before February 1, 2012 (paid);
- (iv) $200,000 on or before February 1, 2013;

(b) issue in aggregate 2,000,000 common shares as follows:

- (i) 600,000 common shares upon approval by TSX Venture Exchange (issued);
- (ii) 600,000 common shares upon earlier of incurring $750,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage I”) or February 1, 2012 (issued);
- (iii) 800,000 common shares upon earlier of incurring an aggregate of $2,250,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage II”) or February 1, 2013;

(c) incur exploration expenditures of not less than $4,500,000 as follows:

- (i) $750,000 before February 1, 2012 (completion of Stage I) (incurred);
- (ii) an additional $1,500,000 before February 1, 2013 (completion of Stage II) for an aggregate of $2,250,000;
- (iii) an additional $2,250,000 before February 1, 2014 (completion of Stage III).

The Company can purchase a 100% interest (“Additional Option”) in the Golden Loon property by paying $375,000 and issuing that number of common shares with a deemed value of $1,000,000. The deemed value of the Company’s common shares for the purpose of exercising the Additional Option shall be the mean closing price for the Company’s common shares on the Exchange for the preceeding 20 trading days. The Company, at its option, may elect to pay, after satisfying the minimum cash payment of $375,000, the remaining $1,000,000 in cash or any combination of cash and common shares.

A finders’ fee was paid on the project in accordance with TSX rules.

(Expressed in Canadian Dollars)

6. RESOURCE PROPERTIES *(continued)*

Red Lake, Ontario, Canada

The Company currently owns a 40% (March 31, 2011 – 40%) interest in the Red Lake, Ontario mineral property claims. The remainder 60% is held by affiliates of Goldcorp Inc.

Ownership in mineral properties involves certain inherent risks due to the difficulties in determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, ownership of its properties is in good standing.

7. RECLAMATION BOND

The Company designated the reclamation bond as held-to-maturity financial asset which is measured at amortized cost using the effective interest method. Any changes to the carrying amount of the reclamation bond, including impairment losses, are recognized in the profit or loss.

The reclamation bond is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the *Mines Act* and Health, Safety and Reclamation Code for Mines in British Columbia. The investment bears the variable interest rate of prime less 2.25% per annum, matures April 27, 2012 and is restricted for general use. The reclamation bonds relate to the Golden Loon resource property.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	March 31, 2012	*March 31, 2011*	*April 1, 2010*
Accounts payable to third parties	**$ 133,654**	$ 85,680	$ 71,963
Accounts payable to related parties (Note 11)	**29,280**	13,773	-
Accrued liabilities	**21,156**	47,400	26,050
	$ 184,090	$ 146,853	$ 98,013

9. SHARE CAPITAL

a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value, first preferred shares, and second preferred shares. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

9. SHARE CAPITAL *(continued)*

a) Common shares *(continued)*

Issued During the Year Ended March 31, 2012:

On August 30, 2011, upon the TSX Venture approval, pursuant to the Tilava mineral property agreement, the Company issued 300,000 common shares at a deemed price of $0.23.

On August 30, 2011, pursuant to the Tilava mineral property finders' agreement the Company issued 15,000 common shares at a deemed price of $0.23.

On January 19, 2012, pursuant to the Tilava mineral property agreement the Company issued 600,000 common shares at a deemed price of $0.18.

Issued During the Year ended March 31, 2011:

On September 17, 2010, the Company closed a non-brokered private placement consisting of 10,000,000 Units of the Company, at $0.12 per Unit, for gross proceeds of $1,200,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at any time until September 17, 2012 at an exercise price of $0.25 per share. Of the $1,200,000 consideration received, $874,100 has been attributed to common shares and $325,900 has been attributed to share purchase warrants. The Company paid a total of $14,703 in issue costs.

On September 24, 2010, the Company issued 200,000 common shares at $0.17 per share for total gross proceeds of $34,000 for the exercise of stock options.

On November 1, 2010, the Company issued 200,000 common shares at $0.17 per share for total gross proceeds of $34,000 for the exercise of stock options.

On December 2, 2010, the Company issued 400,000 common shares at $0.17 per share for total gross proceeds of $68,000 for the exercise of stock options.

On March 2, 2011, the Company issued 150,000 common shares at $0.25 per share for total gross proceeds of $37,500 for the exercise of warrants.

On March 11, 2011, the Company issued 25,000 common shares at $0.17 per share for total gross proceeds of $4,250 for the exercise of stock options.

On March 17, 2011, the Company issued 300,000 common shares at a deemed price of $0.27 per share for acquisition of a resource property.

On March 17, 2011, the Company issued 30,000 common shares at a deemed price of $0.27 per share for finders` fees related to the acquisition of a resource property.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL *(continued)*

b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

The Company did not issue any preferred shares.

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company’s stock on the date of the grant (less any permitted discount, if any) and an option’s maximum term is five years.

During the year ended March 31, 2012, the Company recognized share-based compensation of $208,884 (2011 - $384,923) in contributed surplus, which will be applied to share capital upon exercise. Of this amount, $39,816 (2011 - $32,378) was capitalized to resource properties and $169,068 (2011 - $352,545) was expensed during the period. The weighted average fair value of the options granted during the year ended March 31, 2012, was $0.13 per option (2011 - $0.21).

The fair value of stock options granted during the year ended March 31, 2012 is determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	2012	2011
Weighted average risk-free interest rate	**1.54%**	2.28%
Weighted average estimated volatility	**90%**	73%
Weighted average expected life	**3.6 years**	5 years
Weighted average expected dividend yield	**0%**	0%

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility which was estimated based on historical volatility of the Company's publicly-traded shares. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management’s opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company’s stock options.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL *(continued)*

c) Stock options *(continued)*

No options were exercised during the year ended March 31, 2012.

	March 31, 2012		*March 31, 2011*		*April 1, 2010*	
	Number of Options	***Weighted Average Exercise Price***	*Number of Options*	*Weighted Average Exercise Price*	*Number of Options*	*Weighted Average Exercise Price*
Balance, beginning of period	**2,177,500**	**$ 0.31**	2,307,500	$ 0.27	2,327,500	$ 0.27
Cancelled	**(900,000)**	**0.33**	(935,000)	0.37	-	-
Granted	**1,745,000**	**0.23**	1,800,000	0.34	-	
Exercised	**-**	**-**	(825,000)	0.17	-	-
Expired	**(7,500)**	**0.40**	(170,000)	0.36	(20,000)	$ 0.56
Balance, end of period	**3,015,000**	**$ 0.26**	2,177,500	$ 0.31	2,307,500	$ 0.27
Exercisable, end of period	**2,715,000**	**$ 0.27**	2,002,500	$ 0.32	1,995,000	$ 0.28

As of March 31, 2012, the following stock options were outstanding and exercisable:

Number of Options Outstanding	***Exercise Price***	***Expiry Date***	***Number of Options Exercisable***
370,000	$ 0.17	December 18, 2013	282,500
1,050,000	$ 0.34	November 11, 2015	1,050,000
250,000	$ 0.35	March 31, 2016	250,000
1,020,000	$ 0.20	October 13, 2016	1,020,000
125,000	$ 0.22	November 3, 2016	62,500
200,000	$ 0.20	January 3, 2014	50,000
3,015,000			2,715,000

(Expressed in Canadian Dollars)

9. SHARE CAPITAL *(continued)*

d) Share purchase warrants

Warrant transactions are summarized as follows:

	March 31 2012		*March 31 2011*	
	Number of Warrants	***Weighted Average Exercise Price***	*Number of Warrants*	*Weighted Average Exercise Price*
Balance, beginning of period	**9,850,000**	**$ 0.25**	-	$ -
Issued in private placement	**-**	**-**	10,000,000	0.25
Exercised	**-**	**-**	(150,000)	0.25
Balance, end of period	**9,850,000**	**$ 0.25**	9,850,000	$ 0.25

No warrants were outstanding as at April 1, 2010.

The proceeds from the units issued in private placement during the year ended March 31, 2011 (Note 9(a)) were allocated between common shares and common share purchase warrants recorded in share capital on a pro-rata basis based on relative fair values of the shares of $0.22 and purchase warrants of $0.09. The fair value of purchase warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield - 0.00%; expected stock price volatility - 78%; risk-free interest rate - 1.47%; expected life - 2 years. The weighted average value of purchase warrants issued during the year ended March 31, 2011 was $0.03 per warrant.

Each purchase warrant is exercisable for one common share. The following table summarizes information about warrants outstanding and exercisable at March 31, 2012:

Exercise Price	***Expiry Date***	***Warrants Outstanding***	***Weighted Average Remaining Contracted Life (Years)***
$ 0.25	September 17, 2012	9,850,000	0.47

(Expressed in Canadian Dollars)

10. INCOME TAXES

The income tax provision differs from the amount that would be computed by applying the weighted average basic combined Canadian federal and provincial statutory income tax rate to the statement of net loss for the year.

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

		2012	2011
Loss before income taxes	$	**568,958**	539,007
Corporate tax rate		**26.13%**	28.00%
Income tax benefit computed at Canadian statutory rates	$	**148,640**	150,922
Non-deductible share-based compensation		**(44,169)**	(98,713)
Other		**(569)**	1,017
Change in tax rate		**(1,852)**	1,227
Change in unrecognized deferred income tax assets		**(102,050)**	(54,453)
	$	**-**	-

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

		2012	2011
Non-capital losses	$	**416,282**	315,794
Resource properties		**(229,319)**	(231,618)
Undeducted share issue costs		**2,205**	2,941
		189,168	87,117
Unrecognized deferred income tax assets		**(189,168)**	(87,117)
	$	**-**	-

At March 31, 2012 the Company had the following accumulated non-capital losses available for utilization in future years. These losses expire on the following dates:

March 31, 2026	$	34,280
March 31, 2028		204,628
March 31, 2029		399,530
March 31, 2030		409,518
March 31, 2031		215,219
March 31, 2032		401,952
	$	1,665,127

11. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2012, the Company incurred $188,925 (2011 - $Nil) in geological services which were capitalized to resource properties, $140,870 (2011 - $12,600) in office, general and consulting expenses, $328 (2011 - $Nil) in professional fees, $55,006 (2011 - $Nil) in management fees and $26,917 (2011 - $2,625) in travel, promotion and shareholder information from a company in which an officer and a director of the Company is an employee. A total of $24,078 (2011 - $3,853) was payable to this company as at March 31, 2012. These expenses were charged to the Company at cost without markup.

During the year ended March 31, 2012, the Company incurred $45,500 (2011 - $24,500) in management fees from a company controlled by a director and officer of the Company. A total of $5,040 was payable with respect to these fees as at March 31, 2012 (2011 - $3,920). Share-based compensation to this director and officer amounted to $37,920 (2011 - $51,525).

During the year ended March 31, 2012, the Company paid a total of $52,596 (2011 - $Nil) for rent to companies with directors in common. The Company expensed $24,336 (2011 - $Nil) of this amount as rental expense during the current period, $22,260 (2011 - $Nil) representing rental fees for 7 months and office security deposit that are included in prepaid expenditures, and $6,000 (2011 - $Nil) was paid to settle a prior period payable.

During the year ended March 31, 2012, the Company incurred $nil (2011 - $60,000) in management fees from an officer and directors of the Company. There was no payable with respect to these fees as at March 31, 2012 and 2011. Share-based compensation to these directors and officer amounted to $16,930 (2011 - $61,389).

During the year ended March 31, 2012, the Company incurred $nil (2011 - $20,000) in consulting fees from a director of the Company. There was no payable with respect to these fees as at March 31, 2012 and 2011.

Share-based compensation to a director and officer amounted to $12,640 (2011 - $103,050). Receivable from this director and officer of the Company amounts to $8,248 (2011 - $8,248) as at March 31, 2012. Included in accounts payable relating to this director and officer amounts to $162 (2011 - $Nil) as at March 31, 2012.

During the year ended March 31, 2012 the Company advanced funds to a company in which an officer and a director of the Company is an employee for using office equipment. As at March 31, 2012, $7,440 (2011 - $Nil) of this advance is outstanding.

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

(Expressed in Canadian Dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

The components of cash and cash equivalents are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Cash	**$ 2,733,717**	$ 5,628,154	$ 198,582
Term deposit	-	-	4,300,304
Total cash and cash equivalents	**$ 2,733,717**	$ 5,628,154	$ 4,498,886

The significant non-cash financing and investing transactions during the period are as follows:

	March 31, 2012	March 31, 2011
Common shares issued to acquire resource properties	**$ 180,450**	$ 89,100
Capitalized exploration expenditures included in accounts payable	**$ 140,205**	$ 88,581
Capitalized exploration expenditures included in accounts receivable	**$ (390,593)**	$ -
Capitalized share-based compensation included in resource properties	**$ 39,816**	$ 32,378
Increase in fair value of investments in equity instruments	**$ 2,100**	$ 1,175

Other cash flow information:

	March 31, 2012	March 31, 2011
Interest received	**$ 57,385**	$ 46,726
Interest paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

Restricted cash of $50,000 (2011 - $Nil) relates to guaranteed investment certificates held at a Canadian financial institution as reclamation bond for Golden Loon resource property (see Note 7).

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

a) Capital Management *(continued)*

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders. As at March 31, 2012, the Company does not have any debt, other than accounts payable and accrued liabilities, and is not subject to externally imposed capital requirements.

b) 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 maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash and cash equivalents are invested in business accounts with quality financial institutions, are available on demand for the Company's programs, and are not invested in any asset backed commercial paper. All of the Company’s financial liabilities have a maturity of less than one year.

c) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents, and other assets with high-credit quality financial institutions.

The majority of the Company's cash and cash equivalents are held with major Canadian based financial institutions. The Company views the credit risk associated with receivables as minimal as the balance primarily consists of HST recoverable and Mineral Exploration Tax Credit receivable from Government of Canada.

d) Currency Risk

The Company’s functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (*continued)*

e) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in reclamation bond as they are generally held with large financial institutions.

f) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of gold and other precious metals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

The estimated fair value of financial assets is equal to their carrying values due to the short-term nature of these instruments.

g) Fair-value hierarchy

Financial instruments measured in fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The fair value of cash and cash equivalents and investments in equity instruments are measured based on level 1 of the fair value hierarchy.

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies in Note 3 have been applied in the financial statements for the year ended March 31, 2012 and 2011 and the opening IFRS statement of financial position on the transition date, April 1, 2010.

In preparing the opening IFRS statement of financial position and the financial statements for the year ended March 31, 2012, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables.

The guidance for first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company has elected to take the following IFRS1 optional exemptions:

a) Business combinations

IFRS 1 provides the option to apply IFRS 3, Business Combinations, retrospectively or prospectively from the transition date. The retrospective basis would require restatement of all business combinations that occurred prior to the transition date. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its transition date and such business combinations have not been restated.

b) Leases

IFRS 1 allows an exemption for first-time adopters to determine whether an arrangement existing at the IFRS transition date contains a lease on the basis of facts and circumstances existing at the transition date, instead of the inception of the agreements. The Company has elected to use this exemption.

c) Cumulative translation differences

IFRS 1 allows an exemption for first-time adopters to deem cumulative translation differences to be $nil for foreign operations at the date of transition to IFRS. The Company has elected to use this exemption.

d) Share-based payments

IFRS 2, Share-based Payments, encourages application of its provision to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by transition date. The Company has elected to take the exemption available under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by the transition date.

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

The following IFRS 1 mandatory exceptions applied to the Company:

a) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. IFRS employs a conceptual framework that is similar to Canadian GAAP. The Company's IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Changes to according policies resulting from the conversion to IFRS

The Company has changed certain accounting policies to be consistent with IFRS as effective on March 31, 2012, the Company's first annual IFRS reporting date. The impact of the changes to accounting policies on the recognition and measurement of assets, liabilities, equity, revenue and expenses within the Company's financial statements are presentated below.

The following summarized the significant changes to the Company's accounting policies on adoption of IFRS.

a) Impairment of non-financial assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in used of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Previous GAAP required a write-down to estimated fair value only if the undiscounted estimated future cash flow of a group of assets was less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. The Company has tested the Company's non-financial assets for impairment at the transition date (April 1, 2010) and concluded that no impairment existed on that date.

b) Decommissioning liabilities (asset retirement obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while previous GAAP only required the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. This change had no impact on these financial statements.

(Expressed in Canadian Dollars)

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(i) Reconciliation of statement of financial position as at April 1, 2010 (transition date)

The reconciliation between the Canadian GAAP and the IFRS statement of financial position as at April 1, 2010 (transition date to IFRS) is provided below:

	GAAP	*Effect of transition to IFRS*	*Notes*	*IFRS*
ASSETS				
Current assets				
Cash and cash equivalents	$ 4,498,886	$ -		$ 4,498,886
Investments in equity instruments	1,675	-		1,675
Receivables	11,231	-		11,231
	4,511,792	-		4,511,792
Equipment	1,000	-		1,000
Resource properties	6,361,641	(1,032,110)	14(v)3	5,329,531
Total assets	$ 10,874,433	$ (1,032,110)		$ 9,842,323
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$ 98,013	$ -		$ 98,013
Deferred income taxes	487,524	(487,524)	14(v)3	-
Total liabilities	585,537	(487,524)		98,013
EQUITY				
Share capital	11,341,692	-		11,341,692
Contributed surplus	1,169,375	14,848	14(v)1	1,184,223
Accumulated other comprehensive loss	-	(4,425)	14(v)2	(4,425)
Deficit	(2,222,171)	(555,009)	14(v)1-3	(2,777,180)
Total equity	10,288,896	(544,586)		9,744,310
Total liabilities and equity	$ 10,874,433	$ (1,032,110)		$ 9,842,323

(Expressed in Canadian Dollars)

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(ii) Reconciliation of statement of financial position as at March 31, 2011

The reconciliation between the Canadian GAAP and the IFRS statement of financial position as at March 31, 2011 is provided below:

	GAAP	*Effect of transition to IFRS*	*Notes*	*IFRS*
ASSETS				
Current assets				
Cash and cash equivalents	$ 5,628,154	$ -		$ 5,628,154
Investments in equity instruments	2,850	-		2,850
Receivables	21,901	-		21,901
Prepaid expenses	6,638	-		6,638
	5,659,543	-		5,659,543
Resource properties	6,562,968	(1,032,110)	14(v)3	5,530,858
Total assets	$ 12,222,511	$ (1,032,110)		$ 11,190,401
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$ 146,853	$ -		$ 146,853
Deferred income taxes	487,524	(487,524)	14(v)3	-
Total liabilities	634,377	(487,524)		146,853
EQUITY				
Share capital	12,874,829	-		12,874,829
Contributed surplus	1,479,303	8,853	14(v)1	1,488,156
Accumulated other comprehensive income	-	(3,250)	14(v)2	(3,250)
Deficit	(2,765,998)	(550,189)	14(v)1-3	(3,316,187)
Total equity	11,588,134	(544,586)		11,043,548
Total liabilities and equity	$ 12,222,511	$ (1,032,110)		$ 11,190,401

(Expressed in Canadian Dollars)

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(iii) Reconciliation of statement of operations and comprehensive loss for the year ended March 31, 2011

The reconciliation between the Canadian GAAP and the IFRS statement of operations and comprehensive loss for the year ended March 31, 2011 is provided below:

	GAAP	*Effect of transition to IFRS*	*Notes*	*IFRS*
Expenses				
Depreciation	$ 1,000	$ -		$ 1,000
Insurance	-	-		-
Management fees	87,335	-		87,335
Office, general and consulting	70,247	-		70,247
Professional fees	52,396	-		52,396
Rent	7,924	-		7,924
Share-based compensation	358,540	(5,995)	14(v)1	352,545
Transfer agent and filing fees	5,985	-		5,985
Travel, promotion and shareholder information	8,301	-		8,301
Total expenses	591,728	(5,995)		585,733
Other income				
Interest income	46,726	-		46,726
Gain on held-for-trading securities	1,175	(1,175)	14(v)2	-
Net loss for the period	$ 543,827	$ (4,820)		$ 539,007
Deficit, beginning of period	(2,222,171)	(555,009)	14(v)1-3	(2,777,180)
Deficit, end of period	(2,765,998)	(550,189)		(3,316,187)
Basic and diluted loss per common share	$ (0.018)			$ (0.017)
Weighted average number of common shares outstanding	31,058,012			31,058,012
Net loss for the period	$ 543,827	$ (4,820)	14(v)1-2	$ 539,007
Change in fair value on investment in equity instruments				
Unrealized gain on available-for-sale securities, net of tax	-	(1,175)	14(v)2	(1,175)
Net comprehensive loss for the period	$ 543,827	$ (5,995)		$ 537,832

(Expressed in Canadian Dollars)

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(iv) Reconciliation of statement of cash flows for the year ended March 31, 2011

The reconciliation between the Canadian GAAP and the IFRS statement of cash flows for the year ended March 31, 2011 is provided below:

	GAAP	*Effect of transition to IFRS*	*Notes*	*IFRS*
Cash used in operating activities				
Net loss for the period	$ (543,827)	$ 4,820	14(v)1-2	$ (539,007)
Items not involving cash:				
Depreciation	1,000	-		1,000
Unrealized gain on held-for-trading securities	(1,175)	1,175	14(v)2	-
Share-based compensation	358,540	(5,995)	14(v)1	352,545
	(185,462)	-		(185,462)
Changes in non-cash working capital items:				
Receivables	(10,670)	-		(10,670)
Prepaid expenses	(6,638)	-		(6,638)
Accounts payable and accrued liabilities	48,840	-		48,840
Net cash used in operating activities	(153,930)	-		(153,930)
Cash used in investing activities				
Additions to resource properties	(79,849)	-		(79,849)
Cash received from financing activities				
Units issued for cash	1,200,000	-		1,200,000
Share issue costs	(14,703)	-		(14,403)
Options exercised	177,750	-		177,750
Net cash received from financing activities	1,363,047	-		1,363,047
Increase in cash and cash equivalents	1,129,268	-		1,129,268
Cash and cash equivalents, beginning of period	4,498,886	-		4,498,886
Cash and cash equivalents, end of period	$5,628,154	$ -		$5,628,154

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(v) Notes to the reconciliation

1. Share-based payments

Pre-changeover Canadian GAAP allows the Company to calculate the fair value of equity instruments with graded vesting and recognize the compensation costs from the date of grant over the vesting period using the straight-line basis. The Company determines the fair value of stock options granted using the Black-Scholes option pricing model.

IFRS 2 requires each tranche in an award with graded vesting features to be treated as a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Further, pre-changeover Canadian GAAP allows the Company to recognize compensation costs as if all instruments granted that are subject only to a service requirement are expected to vest. The effect of actual forfeitures would then be recognized as they occur.

IFRS 2 requires the Company to recognize compensation costs over the vesting period based on the best available estimate of the number of equity instruments expected to vest. On the vesting date, the estimate is revised to equal the number of equity instruments that ultimately vested.

As a result of the above differences, contributed surplus was increased by $14,848 at April 1, 2010 (March 31, 2011 - $8,853) and deficit was increased by a corresponding amount.

2. Financial instruments

Under pre-changeover Canadian GAAP, the Company has classified its investments in equity instruments as held-for-trading financial assets and the unrealized gain or loss were recognized in net income or loss in the period in which they arise.

The IFRS exemption allows a first time adopter at the date of transition to designate a financial asset on initial recognition as available-for-sale or fair value through profit and loss if certain conditions are met at the date of transition. Under IFRS, a financial asset or liability may be designated as fair value through profit and loss only when permitted by IAS 39 paragraph 11A or when doing so results in more relevant information because either: i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel (as defined in IAS 24 Related Party Disclosures), for example the entity's Board of Directors and Chief Executive Officer.

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(v) Notes to the reconciliation (*continued)*

2. Financial Instruments (continued)

At the date of transition, the Company has elected to designate the investments in equity instruments as available-for-sale as the investments in equity instruments do not meet the criteria to be designated as fair value through profit or loss.

As a result of the revision of the designation of the investments in equity instruments, accumulated other comprehensive income or loss was decreased by $4,425 at April 1, 2010 (March 31, 2011 - $3,250) and deficit was decreased by a corresponding amount.

3. Deferred tax liabilities

Under pre-changeover Canadian GAAP, when an asset is acquired other than in a business combination and the tax basis of that asset is less than its cost, the cost of future income taxes recognized at the time of acquisition is added to the cost of the asset. When an asset is acquired other than in a business combination and the tax basis of that asset is greater than its cost, the benefit related to future income taxes recognized at the time of the acquisition is deducted from the cost of the asset. The Company has acquired interest in a resource property in which its tax basis of the asset is less than its cost.

IAS 12 requires a deferred tax liability to be recognized in respect of all taxable temporary differences except those arising from a) the initial recognition of goodwill; or b) the initial recognition of an asset or liability in a transaction which is not i) a business combination; or ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A temporary difference may arise on initial recognition of an asset or liability. The method of accounting for such a temporary difference depends on the nature of the transaction that led to the initial recognition of the asset or liability:

(a) If the temporary difference arises as the results of a business combination, deferred tax is recognized on the temporary difference with a corresponding adjustment to goodwill or any bargain purchase gain.

(b) If the temporary difference arises in a transaction that give rise to an accounting or taxable profit or loss, deferred tax is recognized on the temporary difference.

(c) If the temporary difference arises in any other circumstances (i.e. not in a business combination or in a transaction that gives rise to an accounting or taxable profit or loss), no deferred tax is recognized.

14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

(v) Notes to the reconciliation (*continued)*

3. Deferred tax liabilities (continued)

It was determined that there should not be deferred tax liability recognized as the temporary difference arises from the mineral property interests the Company acquired were not acquired in a business combination or in a transaction that give rise to an accounting or taxable profit or loss.

As a result of the above differences, deferred income tax liability was decreased by $487,524 at April 1, 2010 (March 31, 2011 - $487,524), resource property cost was decreased by $1,032,110 (March 31, 2011 - $1,032,110) and deficit was increased by $544,586 (March 31, 2011 - $544,586).

15. SUBSEQUENT EVENTS

On April 3, 2012, the Company granted 75,000 stock options to consultants. The stock options vest immediately and are exercisable at $0.25 per option for the period of five years.

On April 12, 2012, the Company changed its name to Planet Mining Exploration Inc. under the British Columbia Business Corporations Act.

Planet Exploration Inc.

Financial Statements
For the years ended
March 31, 2011 and 2010

HLB Cinnamon Jang Willoughby
Chartered Accountants
A Partnership of Incorporated Professionals

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Planet Exploration Inc.:

We have audited the accompanying balance sheet of Planet Exploration Inc. as at March 31, 2011 and the statements of operations, comprehensive loss and deficit, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Planet Exploration Inc. as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at March 31, 2010 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated July 22, 2010.

"Cinnamon Jang Willoughby"
-Signed-
Chartered Accountants

Burnaby, BC
July 27, 2011

MetroTower II - Suite 900 - 4720 Kingsway, Burnaby, BC Canada V5H 4N2. Telephone: +1 604 435 4317. Fax: +1 604 435 4319.

Planet Exploration Inc.
Balance Sheets
As at March 31, 2011 and 2010

	2011	2010
Assets		
Current		
Cash and cash equivalents	$ 5,628,154	$ 4,498,886
Accounts receivable	21,901	11,231
Marketable securities	2,850	1,675
Prepaid	6,638	-
	5,659,543	4,511,792
Equipment (note 5)	-	1,000
Mineral properties (note 6 and 9)	6,562,968	6,361,641
	$ 12,222,511	$ 10,874,433
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 146,853	$ 98,013
Future income taxes (note 7)	487,524	487,524
	634,377	585,537
Shareholders' equity		
Share capital (note 8)	12,874,829	11,341,692
Contributed surplus	1,479,303	1,169,375
Deficit	(2,765,998)	(2,222,171)
	11,588,134	10,288,896
	$ 12,222,511	$ 10,874,433

Significant accounting policies (Note 2)

Approved on behalf of the Board of Directors:

Christopher Taylor
Director

Tony M. Ricci
Director

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

Planet Exploration Inc.
Statements of Operations, Comprehensive Loss and Deficit
Years Ended March 31, 2011 and 2010

	2011	2010
Expenses		
Amortization	$ 1,000	$ 104
Consulting (note 9)	52,250	142,000
Management (note 9)	87,335	154,000
Office and general (note 9)	40,207	36,289
Professional fees (note 9)	52,396	65,520
Stock-based compensation	358,540	24,090
Total expenses	591,728	422,003
Other income		
Interest income	(46,726)	(18,511)
Loss (gain) on held-for-trading securities	(1,175)	(925)
Net Loss before income tax provision	543,827	402,567
Future income tax (recovery)	-	(112,522)
Net loss for the year	543,827	290,045
Net comprehensive loss for the year	$ 543,827	$ 290,045
Deficit, beginning of year	(2,222,171)	(1,932,126)
Deficit, end of year	$ (2,765,998)	$ (2,222,171)
Loss per share – basic and diluted	$ (0.018)	$ (0.011)
Weighted average number of shares outstanding	31,058,012	25,319,190

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

Planet Exploration Inc.
Statements of Changes in Shareholders' Equity
Years Ended March 31, 2011 and 2010

	Share Capital				
	Number of Shares	Amount	Contributed Surplus	Deficit	Shareholders' Equity
Balance, March 31, 2009	25,319,190	$ 11,341,692	$ 1,145,285	$ (1,932,126)	$ 10,554,851
Stock- based compensation	-	-	24,090	-	24,090
Net loss for the year	-	-	-	(290,045)	(290,045)
Balance, March 31, 2010	25,319,190	$ 11,341,692	$ 1,169,375	$ (2,222,171)	$ 10,288,896
Shares and warrants issued for private placement	10,000,000	1,200,000	-	-	1,200,000
Shares issued for warrants	150,000	37,500	-	-	37,500
Shares issued for stock options	825,000	140,250	-	-	140,250
Fair value of stock options exercised	-	80,990	(80,990)	-	-
Shares issued for resource property	330,000	89,100	-	-	89,100
Share issuance costs	-	(14,703)	-	-	(14,703)
Stock-based compensation	-	-	358,540	-	358,540
Capitalized stock-based compensation	-	-	32,378	-	32,378
Net loss for the year	-	-	-	(543,827)	(543,827)
Balance, March 31, 2011	**36,624,190**	**$ 12,874,829**	**$ 1,479,303**	**$ (2,765,998)**	**$ 11,588,134**

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

Planet Exploration Inc.
Statements of Cash Flows
Years Ended March 31, 2011 and 2010

	2011	2010
Operating Activities		
Net loss and comprehensive loss	$ (543,827)	$ (290,045)
Items not affecting cash		
Depreciation	1,000	104
Future income tax recovery	-	(112,522)
Unrealized gain on marketable securities	(1,175)	(925)
Stock-based compensation	358,540	24,090
	(185,462)	(379,298)
Change in non-cash working capital		
Accounts receivable	(10,670)	33,883
Accounts payable	48,840	(31,849)
Prepaid	(6,638)	-
	(153,930)	(377,264)
Investing Activities		
Additions to mineral properties	(79,849)	(985,386)
Financing Activities		
Units issued for cash (note 8)	1,200,000	-
Issue costs	(14,703)	-
Options exercised	177,750	-
	1,363,047	-
Increase (decrease) in cash and cash equivalents	1,129,268	(1,362,650)
Cash and cash equivalents, beginning of year	4,498,886	5,861,536
Cash and cash equivalents, end of year	$ 5,628,154	$ 4,498,886
Cash and cash equivalents consist of		
Cash	$ 5,628,154	$ 198,582
Term deposits	-	4,300,304
	$ 5,628,154	$ 4,498,886
Supplementary information:		
Interest received	$ 46,726	$ 18,245

Non-cash transactions (note 10)

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

1. NATURE OF OPERATIONS

Planet Exploration Inc. ("the Company") is in the business of acquiring, exploring and developing gold, copper, silver and other mineral properties, both directly and through joint ventures in Canada. To date the Company has not generated significant revenues from operations and is considered to be an exploration stage company. These financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company are primarily dependent upon its ability to raise exploration financing from equity markets or by selling or optioning its mineral properties. Recovery of the capitalized carrying costs shown for mineral properties will likely require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles (GAAP) in Canada. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Use of estimates

The preparation of the financial statements in conformity with GAAP 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 dates of the financial statements and the amounts of revenue and expenses during the period. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Significant areas requiring the use of management estimates include the determination of stock-based compensation and the useful life of long-lived assets as well as determination of impairment thereon, the recoverability of future income tax assets and the determination of possible losses arising from lawsuits.

Amortization is based on the estimated useful lives of equipment. Mineral property interests are reviewed to ensure their carrying value does not exceed the estimated future net cash flows.

Actual results could differ from those estimates and as adjustments become necessary they are reported in earnings in the periods in which they become known.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments - recognition and measurement

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured initially in the balance sheet at fair value. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current year net earnings (loss).

The Company has classified cash and cash equivalents and marketable securities as held-for-trading financial assets. Accounts receivable is classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities. The Company has not classified any financial assets as held-to-maturity and available for sale.

Gains and losses on held-for-trading financial assets and financial liabilities are recognized in net income or loss in the period in which they arise. Unrealized gains and losses arising from changes in fair value of available for sale assets are recognized in other comprehensive income until the financial asset is derecognized or impaired, at which time any unrealized gains, or losses are recorded in net income or loss.

Transaction costs other than those related to financial instruments classified as held-for-trading, which are expensed as incurred, are added to the fair value of the financial asset or financial liability on initial recognition and amortized using the effective interest method. Under the effective interest method, estimated future cash receipts are discounted over the asset's expected life, or other appropriate period, to its net carrying value. Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using a variety of valuation techniques and models.

CICA Section 3862 "*Financial Instruments – Disclosure*" requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The accounting standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Section 3862 prioritizes the inputs into three levels that may be used to measure fair value:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments - recognition and measurement (continued)

i) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

ii) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

iii) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The Company's financial instruments consist principally of cash and cash equivalents, marketable securities, long term investments, and accounts payable. Pursuant to Section 3862, fair value of assets and liabilities measured on a recurring basis include cash and cash equivalents and marketable securities determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. The fair value of long term investments are determined based on Level 3 data. The Company believes that the recorded values of accounts payable approximate their current fair value because of their nature and respective maturity dates or durations.

c) Cash and cash equivalents

Cash equivalents consist of highly liquid investments, which are readily convertible into cash and generally have maturities of three months or less when acquired. Investments with a maturity of greater than three months, with an insignificant risk of loss in value, are included in cash equivalents. At March 31, 2011, $Nil (2010 - $4,300,304) held in term deposits with an original maturity of greater than three months was included as cash equivalents.

d) Equipment

Equipment is recorded at cost and amortized on a straight line bases over five years.

e) Mineral property interests

Acquisition and exploration costs of mineral property interests are capitalized and deferred until such time as the property is put into production, the property is disposed of either through sale or abandonment or the property is considered uneconomic in the foreseeable future. If put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property or option proceeds with respect to undeveloped properties are credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned or considered uneconomic in the foreseeable future, the acquisition and deferred exploration costs are written off to operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Mineral property interests (continued)

Although the Company has taken steps to verify title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Management reviews capitalized costs on its mineral property interests on a periodic basis and recognizes impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable operations from the property or sale of the property. For non-producing properties, management also considers indications of impairment such as the current status of ongoing operations, whether exploration is planned in the foreseeable future, the expiration of lease ownership rights, and funding requirements to complete exploration programs.

f) Long-Lived Assets Impairment

Long-term assets of the Company are reviewed when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations. If impairment is deemed to exist, the assets will be written down to fair value.

g) Revenue recognition

The Company recognizes interest revenue from guaranteed investment certificates on a straight line basis over the life of the certificates.

h) Income taxes

The Company records income taxes using the asset and liability method. Under this method, current income taxes are recorded based on the estimated income taxes payable for the year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities.

Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax assets or liabilities are due to be settled or realized. The effect of a change in tax rates on future income tax assets and liabilities is recognized in operations in the period that includes the substantive enactment date. A valuation allowance is recognized, to the extent it is more likely than not, that those future income tax assets will not be realized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Accumulated Other Comprehensive Income

The Company maintains a Statement of Comprehensive Income and establishes Accumulated Other Comprehensive Income (“AOCI”) as a separate component of shareholders’ equity. The Statement of Comprehensive Income is defined as a change in net assets arising from transactions and other events from non-owner sources. The statement would present net income and each component recognized in other comprehensive income (“OCI”) when such amounts exist. For the years ended March 31, 2011 and 2010, the Company did not recognize any OCI and therefore a separate statement of OCI has not been presented. Any future OCI recognized by the Company will be recognized in AOCI.

j) Earnings per share

The basic earnings per share calculation is based upon the weighted average number of common shares outstanding during each year. Diluted common shares outstanding are calculated using the treasury stock method, which assumes that any proceeds received from in-the-money options would be used to buy back common shares at the average market price for the period. Options that are anti-dilutive are not included in the calculation of diluted earnings per share.

k) Foreign currency translation

Monetary assets and liabilities of the Company which are denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Other assets, liabilities and items affecting earnings are translated into Canadian dollars at rates of exchange in effect at the date of the transaction. Gains or losses arising from these foreign currency transactions are included in the determination of income.

l) Flow-through shares

Certain resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. To recognize the forgone tax benefits to the Company, the future income tax liability and the carrying value of the shares issued are adjusted by the effect of the tax benefits renounced to subscribers. The future income tax liability is recorded when the expenditures are renounced by the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Stock-based compensation

The Company has a stock-based compensation plan as described in note 8(c). Compensation expense is calculated using the fair value of the option at the date of grant determined using the Black-Scholes options pricing model that takes into account the exercise price, and expected volatility of the Company's stock price, the expected dividends on the stock and the current risk-free interest rate for the expected life of the option. For options granted in respect of future services, compensation expense is recorded over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of options consideration received together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. The Company has not incorporated an estimated forfeiture rate, rather the Company accounts for actual forfeitures as they occur.

n) Asset retirement obligation

The Company recognizes the estimated fair value of an asset retirement obligation (ARO) in the period in which it is incurred when a reasonable estimate of the fair value can be made. The fair value of the estimated ARO is recorded as a liability with a corresponding increase in the carrying amount of the related asset. ARO is initially measured at fair value and subsequently adjusted for the accretion of discount and any changes to the underlying cash flows. The capitalized amount is depleted on a unit-of-production basis over the life of the proved resources. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs of ARO results in an increase or decrease to ARO. As the Company's mining properties are in the exploration phase, no material liability exists for asset retirement obligations. Accordingly, no ARO has been recorded in these financial statements.

o) Recent accounting pronouncements

i) Business combinations

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests which replaces CICA Handbook Sections 1591 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning June 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these sections, the other two sections must also be adopted at the same time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Recent accounting pronouncements (continued)

ii) International Financial Reporting Standards ("IFRS")

In 2006, the Accounting Standards Board (AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement of comparative amounts reported by the Company for the period ending December 31, 2010. The conversion to IFRS will impact the Company's policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Company continues to monitor the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a timely conversion.

3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to meet ongoing exploration and operating costs.
- To invest cash on hand in highly liquid and highly rated financial instruments.

The Company defines its capital as shareholders' equity as at March 31, 2011, of $11,588,134 (2010 - $10,288,896. 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. In order to maintain or adjust the capital structure, the Company may pay dividends, return capital to shareholders or issue new shares. The Company currently has no externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The Company holds various forms of financial instruments as described in Note 2(b). The nature of these instruments and the Company's operations expose the Company to various risks as follows:

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Company's cash equivalents are subject to interest rate fluctuations as a result of changes in market rates.

b) Credit risk

The Company is exposed to credit risk with respect to its cash and cash equivalents. However, this risk is minimized as cash and cash equivalents are held at a major financial institution in Canada.

c) Liquidity risk

The Company addresses liquidity risk as part of its capital management. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due and to continue its exploration drilling program at its Red Lake Property. As at March 31, 2011, the Company had a working capital of $5,512,690 (2010 - $4,413,779).

d) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

e) Fair values

The methods and assumptions used to develop fair value measurements for those financial instruments carried at fair value in the balance sheet have been prioritized into three levels of a fair value hierarchy included in Section 3862 of the CICA Handbook. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities, level two includes inputs that are observable other than quoted prices included in level one and level three includes inputs that are not based on observable market data. The Company's cash and cash equivalents and marketable securities are level one fair value measurements. The fair values of financial instruments consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

5. EQUIPMENT

	2011		
	Cost	*Accumulated Amortization*	*Net Carrying Amount*
Equipment	$ -	$ -	$ -

	2010		
	Cost	*Accumulated Amortization*	*Net Carrying Amount*
Equipment	$ 1,000	$ -	$ 1,000

6. MINERAL PROPERTY INTERESTS

The Company's mineral properties are as follows:

		2011			
		Acquisition costs (net of recoveries)	Deferred exploration costs	Write down	Total
Red Lake, Ontario	$	1,046,905	5,314,736	-	6,361,641
Golden Loon, British Columbia		155,487	45,840	-	201,327
	$	1,202,392	5,360,576	-	6,562,968

		2010			
		Acquisition costs (net of recoveries)	Deferred exploration costs	Write down	Total
Red Lake, Ontario	$	1,046,905	5,478,058	(163,322)	6,361,641
Mongolia		4,860	427,448	(432,308)	-
	$	1,051,765	5,905,506	(595,630)	6,361,641

Red Lake, Ontario, Canada

The Company currently owns a 40% (March 31, 2010 – 40%) interest in the Red Lake, Ontario mineral property claims. The remainder 60% is held by affiliates of Goldcorp Inc.

Ownership in mineral properties involves certain inherent risks due to the difficulties in determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, ownership of its properties is in good standing.

6. MINERAL PROPERTY INTERESTS (continued)

Golden Loon, British Columbia

On February 15, 2011, the Company signed an option agreement with Tilava Mining Corporation, a private company, to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon gold and copper project located 80 kilometres north of Kamloops, British Columbia. Pursuant to the terms of the option agreement, the Company must

(a) pay in the aggregate $250,000 to Tilava Mining Corporation as follows:

- (i) $5,000 upon signing of the agreement (paid);
- (ii) $45,000 upon approval by TSX Venture Exchange (paid);
- (iii) $100,000 on or before February 1, 2012;
- (iv) $100,000 on or before February 1, 2013;

(b) issue in aggregate 1,000,000 common shares as follows:

- (i) 300,000 common shares upon approval by TSX Venture Exchange (issued);
- (ii) 300,000 common shares upon earlier of incurring $500,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage I”) or February 1, 2012;
- (iii) 400,000 common shares upon earlier of incurring an aggregate of $1,500,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage II”) or February 1, 2013;

(c) incur exploration expenditures of not less than $3,000,000 as follows:

- (i) $500,000 before February 1, 2012 (completion of Stage I);
- (ii) an additional $1,000,000 before February 1, 2013 (completion of Stage II) for an aggregate of $1,500,000;
- (iii) an additional $1,500,000 before February 1, 2014 (completion of Stage III).

A finders’ fee was paid on the project in accordance with TSX rules.

The option agreement was amended subsequent to year end as discussed in Note 12(b).

7. INCOME TAXES

The income tax provision differs from the amount that would be computed by applying the basic combined Canadian federal and provincial statutory income tax rate to the statement of net loss for the year. The reasons for the differences are as follows:

		2011	**2010**
		28.00%	29.00%
Computed income tax (recovery)	$	(152,272)	(116,744)
Non-deductible stock-based compensation		100,403	6,986
Other		-	13,065
Tax rate adjustment		5,728	-
Valuation allowance		46,141	(15,829)
	$	-	(112,522)

At March 31, 2011 the Company had the following accumulated non-capital losses available for utilization in future years. These losses expire on the following dates:

March 31, 2026	$	34,280
March 31, 2028		204,628
March 31, 2029		399,530
March 31, 2030		409,518
March 31, 2031		184,290
	$	1,232,246

The components of the net future income tax liability are as follows:

		2011	**2010**
Net book value of mineral properties in excess of tax value	$	487,524	487,524
Non-capital losses		(308,062)	(259,408)
Foreign resources expenditures		(70,091)	(76,283)
Valuation allowance		378,153	335,691
Future income tax liability	$	487,524	487,524

8. SHARE CAPITAL

a) Authorized capital

Unlimited number of common voting shares without nominal or par value.
Unlimited number of first preferred shares.
Unlimited number of second preferred shares.

b) Common shares issued

Year ended March 31, 2011

On September 17, 2010, the Company closed a non-brokered private placement consisting of 10,000,000 Units of the Company, at $0.12 per Unit, for gross proceeds of $1,200,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at any time until September 17, 2012 at an exercise price of $0.25 per share. Of the $1.2 million consideration received, $325,900 has been attributed to the fair value of the warrants using Black-Scholes valuation method and the pro-rata allocation method. The Company paid a total of $14,703 in issue costs.

On September 24, 2010, the Company issued 200,000 common shares at $0.17 per share for total gross proceeds of $34,000 for the exercise of stock options.

On November 1, 2010, the Company issued 200,000 common shares at $0.17 per share for total gross proceeds of $34,000 for the exercise of stock options.

On December 2, 2010, the Company issued 400,000 common shares at $0.17 per share for total gross proceeds of $68,000 for the exercise of stock options.

On March 2, 2011, the Company issued 150,000 common shares at $0.25 per share for total gross proceeds of $37,500 for the exercise of warrants.

On March 11, 2011, the Company issued 25,000 common shares at $0.17 per share for total gross proceeds of $4,250 for the exercise of stock options.

On March 17, 2011, the Company issued 300,000 common shares at a deemed price of $0.27 per share for acquisition of a resource property.

On March 17, 2011, the Company issued 30,000 common shares at a deemed price of $0.27 per share for finders` fees related to the acquisition of a resource property.

No common shares were issued during the year ended March 31, 2010.

8. SHARE CAPITAL (continued)

c) Stock Options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

A summary of the changes in stock options for the years ended March 31, 2011 and 2010 is presented below:

	2011		2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	2,307,500	$ 0.27	2,327,500	$ 0.27
Granted	1,800,000	0.34	-	-
Exercised	(825,000)	0.17	-	-
Cancelled	(935,000)	0.37	-	-
Expired	(170,000)	0.36	(20,000)	0.56
Balance, end of year	2,177,500	$ 0.31	2,307,500	$ 0.27
Exercisable, end of year	2,002,500	$ 0.32	1,995,500	$ 0.28

As at March 31, 2011 the following stock options are outstanding:

Number of common shares under option	Exercise price per common share	Weighted average remaining contractual life in years	Exercisable at March 31, 2011
7,500	$ 0.40	0.42	7,500
370,000	0.17	2.72	195,000
1,550,000	0.34	4.62	1,550,000
250,000	0.35	5.00	250,000
2,177,500	$ 0.31	4.33	2,002,500

The fair value of stock options is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2011	2010
Risk free interest rate	2.20 - 2.77%	-
Expected dividend rate	-	-
Expected stock price volatility	73 - 76%	-
Expected option life	5 years	-
Weighted-average grant-date fair value per share of options granted	$0.34	-

8. SHARE CAPITAL (continued)

No options were issued during the 2010 fiscal year.

d) Share purchase warrants

The following table summarizes changes in the number of warrants outstanding and exercisable:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2010	-	$ -
Granted	10,000,000	0.25
Exercised	(150,000)	0.25
Balance, March 31, 2011	9,850,000	$ 0.25

9. RELATED PARTY TRANSACTIONS

The following summarizes the Company's related party transactions:

	2011	**2010**
Consulting fees paid to a former officer and director	$ 20,000	$ 65,000
Consulting fees paid to a company controlled by a person related to a director	11,250	27,000
Management fees paid to directors and officer	60,000	154,000
Management fees paid to a company with directors in common	2,835	-
Management fees paid to a company controlled by a director	24,500	-
Geological consulting fees paid to a company controlled by a former officer and director ($47,400 of the fees incurred in 2010 were capitalized to mineral properties with the remainder included in professional fees)	-	50,400
Reimbursable expenses included in office and general paid to directors and officers	4,290	-
Reimbursable expenses included in office and general paid to a person related to a former director	2,799	-

9. RELATED PARTY TRANSACTIONS (continued)

	2011	2010
Reimbursable expenses included in office and general paid to a company controlled by a director	$ 2,495	$ -
Reimbursable expenses included in office and general paid to companies with directors in common	15,952	-
Reimbursable expenses capitalized to mineral properties paid to a company with directors in common	2,439	-

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

Accounts receivable from an officer amounts to $8,248 (2010 - $nil). Accounts payable include a total of $13,773 (2010 – $nil) owing to related parties.

10. SUPPLEMENTAL CASH FLOW INFORMATION

	2011	2010
Shares issued for acquisition of resource properties	$ 89,100	$ -

11. COMPARATIVE FIGURES

Some of the prior year figures have been adjusted to conform to the current year presentation.

12. SUBSEQUENT EVENTS

a) Subsequent to the year ended March 31, 2011, Mr. Salim Jivraj resigned from being a director of the Company.

b) The Company amended on April 7, 2011 and on April 19, 2011 an option agreement with Tilava Mining Corporation, a private company, to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon gold and copper project, and the extended Golden Loon property as amended, located 80 kilometres north of Kamloops, British Columbia. Pursuant to the terms of the option agreement, as amended, the Company must

(i) pay in the aggregate $500,000 to Tilava Mining Corporation as follows:

(1) $10,000 upon signing of the agreement (paid);
(2) $90,000 upon approval by TSX Venture Exchange ($45,000 paid);
(3) $200,000 on or before February 1, 2012;
(4) $200,000 on or before February 1, 2013;

12. SUBSEQUENT EVENTS (continued)

(ii) issue in aggregate 2,000,000 common shares as follows:

(1) 600,000 common shares upon approval by TSX Venture Exchange (300,000 issued);

(2) 600,000 common shares upon earlier of incurring $750,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage I”) or February 1, 2012;
(3) 800,000 common shares upon earlier of incurring an aggregate of $2,250,000 in exploration expenditures and receiving engineering report which recommends further work (“Stage II”) or February 1, 2013;

(iii) incur exploration expenditures of not less than $4,500,000 as follows:

(1) $750,000 before February 1, 2012 (completion of Stage I);
(2) an additional $1,500,000 before February 1, 2013 (completion of Stage II) for an aggregate of $2,250,000;
(3) an additional $2,250,000 before February 1, 2014 (completion of Stage III).

Planet Mining Exploration Inc.

(formerly Planet Exploration Inc.)

Condensed Interim Financial Statements

Six Months Ended September 30, 2012 and 2011

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
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September 30, 2012 and 2011
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	September 30, 2012	March 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	**$ 3,462,655**	$ 2,733,717
Investments in equity instruments (Note 3)	**1,050**	750
Receivables (Note 4)	**423,704**	609,630
Reclamation bond (Note 6)	**50,375**	50,000
Prepaid expenses (Note 9)	**47,364**	52,422
Total current assets	**3,985,148**	3,446,519
Resource properties (Note 5 and 9)	**7,774,254**	7,599,395
Total assets	**$ 11,759,402**	$ 11,045,914
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	**$ 140,603**	$ 184,090
Total liabilities	**140,603**	184,090
SHAREHOLDERS' EQUITY		
Capital and reserves		
Share capital (Note 8)	**14,016,106**	13,055,279
Contributed surplus (Note 8)	**1,755,315**	1,697,040
Accumulated other comprehensive loss	**(5,050)**	(5,350)
Deficit	**(4,147,572)**	(3,885,145)
Total equity	**11,618,799**	10,861,824
Total liabilities and equity	**$ 11,759,402**	$ 11,045,914

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 12)

Approved and authorized by the Board of Directors

"David Birkenshaw" Director *"Tony M. Ricci"* Director

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	Three Months ended September 30, **2012**	Three Months ended September 30, 2011	Six Months ended September 30, **2012**	Six Months ended September 30, 2011
Expenses				
Insurance	**$ 5,332**	$ 1,567	**$ 11,272**	$ 1,567
Management fees (Note 9)	**16,358**	14,625	**42,537**	28,014
Office, general and consulting (Note 9)	**53,662**	25,828	**102,713**	64,231
Professional fees (Note 9)	**17,660**	7,386	**24,740**	13,542
Rent (Note 9)	**6,000**	6,336	**12,000**	12,336
Share-based compensation	**26,607**	4,935	**41,647**	27,466
Transfer agent and filing fees	**5,393**	3,231	**9,940**	6,949
Travel, promotion and shareholder information (Note 9)	**12,379**	25,461	**34,069**	46,932
Total expenses	**143,391**	89,369	**278,918**	201,037
Other income				
Interest income	**(8,460)**	(15,517)	**(16,491)**	(32,442)
Net loss for the period	**$ 134,931**	$ 73,852	**$ 262,427**	$ 168,595
Deficit, beginning of period	**$ (4,012,641)**	$ (3,410,930)	**$ (3,885,145)**	$ (3,316,187)
Deficit, end of period	**$ (4,147,572)**	$ (3,484,782)	**$ (4,147,572)**	$ (3,484,782)
Basic and diluted loss per common share	**$ (0.004)**	$ (0.002)	**$ (0.007)**	$ (0.005)
Weighted average number of common shares outstanding	**37,691,364**	36,730,331	**37,615,693**	36,677,551
Net loss for the period	**$ 134,931**	$ 73,852	**$ 262,427**	$ 168,595
Change in fair value on investment in equity instruments				
Unrealized loss (gain) on available-for-sale securities, net of tax	**225**	450	**(300)**	(2,325)
Net comprehensive loss for the period	**$ 135,156**	$ 74,302	**$ 262,127**	$ 166,270

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	Share Capital					
	Number of Shares	*Amount*	*Contributed Surplus*	*Accumulated Other Comprehensive Loss*	*Deficit*	*Total*
Balance, March 31, 2011	36,624,190	$ 12,874,829	$ 1,488,156	$ (3,250)	$ (3,316,187)	$ 11,043,548
Share-based compensation	-	-	27,466	-	-	27,466
Shares issued for mineral property	315,000	72,450	-	-	-	72,450
Unrealized loss on available-for-sale securities	-	-	-	2,325	-	2,325
Net loss for the period	-	-	-	-	(168,595)	(168,595)
Change during the period	315,000	72,450	27,466	2,325	(168,595)	(66,354)
Balance, September 30, 2011	36,939,190	$ 12,947,279	$ 1,515,622	$ (925)	$ (3,484,782)	$ 10,977,194
Balance, March 31, 2012	37,539,190	$ 13,055,279	$ 1,697,040	$ (5,350)	$ (3,885,145)	$ 10,861,824
Share-based compensation	-	-	49,497	-	-	49,497
Shares issued for cash	7,000,000	1,050,000				1,050,000
Share issue costs		(89,173)	8,778			(80,395)
Unrealized gain on available-for-sale securities, net of tax	-	-	-	300	-	300
Net loss for the period	-	-	-	-	(262,427)	(262,427)
Change during the period	7,000,000	960,827	58,275	300	(262,427)	756,975
Balance, September 30, 2012	44,539,190	$ 14,016,106	$ 1,755,315	$ (5,050)	$ (4,147,572)	$ 11,618,799

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	Six Months Ended September 30, 2012	2011
Cash used in operating activities		
Net loss for the period	**$ (262,427)**	$ (168,595)
Items not involving cash:		
Interest accrued	**(162)**	(160)
Share-based compensation	**41,647**	27,466
	(220,942)	(141,289)
Changes in non-cash working capital items:		
Receivables	**185,713**	(20,607)
Prepaid expenses	**5,058**	(66,772)
Accounts payable and accrued liabilities	**85,623**	(42,886)
Net cash used in operating activities	**55,452**	(271,554)
Net cash used in investing activities		
Additions to resource properties	**(307,214)**	(705,806)
Cash received from financing activities		
Units issued for cash	**1,050,000**	-
Issue costs	**(69,300)**	-
Net cash received from financing activities	**980,700**	-
(Decrease) Increase in cash and cash equivalents	**$ 728,938**	$ (977,360)
Cash and cash equivalents, beginning of period	**$ 2,733,717**	$ 5,628,154
Cash and cash equivalents, end of period	**$ 3,462,655**	$ 4,650,794

Supplementary cash flow information (Note 10)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Planet Mining Exploration Inc. ("the Company") was incorporated in Canada as Planet Exploration Inc. on January 29, 1996 under the Alberta Business Corporations Act. On April 12, 2012, the Company changed its name to Planet Mining Exploration Inc. under the British Columbia Business Corporations Act. The Company's registered office and its principal place of business is located at Suite 302, 750 West Pender Street, Vancouver, BC Canada V6C 2T7.

The Company is in the business of acquiring, exploring and developing gold, copper, silver and other mineral properties, both directly and through joint ventures in Canada. The Company's shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol "PXI".

To date, the Company has not generated significant revenues from operations and is considered to be an exploration stage company. These financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company are primarily dependent upon its ability to raise exploration financing from equity markets or by selling or optioning its resource properties. Recovery of the capitalized carrying costs shown for mineral properties will likely require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

2. BASIS OF PREPARATION

Statement of compliance

The Condensed Interim Financial Statements for the six months ended September 30, 2012 were 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 ("IFRIC") in effect at September 30, 2012. These consolidated interim financial statements have been prepared in compliance with lAS 34 - *Interim Financial Reporting*. Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards have been omitted or condensed. These interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended March 31, 2012. The Company has elected to present the statement of operations and comprehensive loss in a single statement.

The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the Company's recent audited Financial Statements for the year ended March 31, 2012.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION *(continued)*

The Condensed Interim Financial Statements of the Company for the six months ended September 30, 2012 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 28, 2012. Shortly thereafter, the financial statements are made available to shareholders and others through filing on the System for Electronic Document Analysis and Retrieval ("SEDAR").

3. INVESTMENT IN EQUITY INSTRUMENTS

Investment in equity instruments consist of common shares of a publicly traded company, and therefore has no fixed maturity date or coupon rate. The fair value of the listed investment has been determined directly by reference to published price quotations in an active market. During the period the Company recorded an increase in fair value of the investment in the amount of $300 (2011 – increase of $2,325) in other comprehensive loss.

As at September 30, 2012, the cost of investment in equity instruments amounts to $6,100 (2011 - $6,100).

4. RECEIVABLES

The Company's receivables relates to Harmonized Sales Tax (HST) receivable and Mineral Exploration Tax Credit due from Canadian government taxation authorities, interest receivable and advances to a director and an officer of the Company. The receivables balance is broken down as follows:

	September 30, 2012	*March 31, 2012*
HST recoverable	**$ 20,005**	$ 202,999
Mineral Exploration Tax Credit receivable	**390,593**	390,593
Interest receivable	**162**	350
Other receivable (Note 9)	**4,696**	7,440
Advances (Note 9)	**8,248**	8,248
	$ 423,704	$ 609,630

(Expressed in Canadian Dollars)

5. RESOURCE PROPERTIES

	Red Lake (Sidace Lake) Property	*Golden Loon Property*	*Total*
Balance, March 31, 2011	$ 5,329,531	$ 201,327	$ 5,530,858
Acquisition costs	-	443,136	443,136
Exploration advance	-	100,000	100,000
Exploration costs	-	1,915,994	1,915,994
Mineral Exploration Tax Credit	-	(390,593)	(390,593)
Change during the period	-	2,068,537	2,068,537
Balance, March 31, 2012	$ 5,329,531	$ 2,269,864	$ 7,599,395
Exploration costs	-	174,859	174,859
Change during the period	-	174,859	174,859
Balance, September 30, 2012	$ 5,329,531	$ 2,444,723	7,774,254

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

Golden Loon, British Columbia

On February 15, 2011, the Company signed an option agreement with Tilava Mining Corporation, a private company, to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon gold and copper project located 80 kilometres north of Kamloops, British Columbia. Pursuant to the terms of the option agreement, the Company must:

(a) pay in the aggregate $500,000 to Tilava Mining Corporation as follows:

(i) $10,000 upon signing of the agreement (paid);
(ii) $90,000 upon approval by TSX Venture Exchange (paid);
(iii) $200,000 on or before February 1, 2012 (paid);
(iv) $200,000 on or before February 1, 2013;

5. RESOURCE PROPERTIES *(continued)*

(b) issue in aggregate 2,000,000 common shares as follows:

(i) 600,000 common shares upon approval by TSX Venture Exchange (issued);
(ii) 600,000 common shares upon earlier of incurring $750,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage I”) or February 1, 2012 (issued);
(iii) 800,000 common shares upon earlier of incurring an aggregate of $2,250,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage II”) or February 1, 2013;

(c) incur exploration expenditures of not less than $4,500,000 as follows:

(i) $750,000 before February 1, 2012 (completion of Stage I) (incurred);
(ii) an additional $1,500,000 before February 1, 2013 (completion of Stage II) for an aggregate of $2,250,000;
(iii) an additional $2,250,000 before February 1, 2014 (completion of Stage III).

The Company can purchase a 100% interest (“Additional Option”) in the Golden Loon property at any time, by paying $375,000 and issuing that number of common shares with a deemed value of $1,000,000. The deemed value of the Company’s common shares for the purpose of exercising the Additional Option shall be the mean closing price for the Company’s common shares on the Exchange for the preceding 20 trading days. The Company, at its option, may elect to pay, after satisfying the minimum cash payment of $375,000, the remaining $1,000,000 in cash or any combination of cash and common shares.

A finders’ fee was paid on the project in accordance with TSX rules.

Red Lake, Ontario, Canada

The Company currently owns a 40% (March 31, 2012 – 40%) interest in the Red Lake, Ontario mineral property claims. The remainder 60% is held by affiliates of Goldcorp Inc.

Ownership in mineral properties involves certain inherent risks due to the difficulties in determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, ownership of its properties is in good standing.

(Expressed in Canadian Dollars)

6. RECLAMATION BOND

The Company designated the reclamation bond as held-to-maturity financial asset which is measured at amortized cost using the effective interest method. Any changes to the carrying amount of the reclamation bond, including impairment losses, are recognized in the profit or loss.

The reclamation bond is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the *Mines Act* and Health, Safety and Reclamation Code for Mines in British Columbia. The investment bears the variable interest rate of prime less 2.25% per annum, matures April 27, 2013 and is restricted for general use. The reclamation bonds relate to the Golden Loon resource property.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	September 30, 2012	*March 31, 2012*
Accounts payable to third parties	**$ 106,812**	$ 133,654
Accounts payable to related parties (Note 11)	**4,536**	29,280
Accrued liabilities	**29,255**	21,156
	$ 140,603	$ 184,090

8. SHARE CAPITAL

a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value, first preferred shares, and second preferred shares. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

<u>Issued During the Six Months Ended Sepember 30, 2012:</u>

On September 28, 2012, the Company closed a non-brokered private placement consisting of 7,000,000 units of the Company, at $0.15 per unit, for gross proceeds of $1,050,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company, for a period of 12 months, at an exercise price of $0.25 per share. Of the $1,200,000 consideration received, $976,850 has been attributed to common shares and $73,150 has been attributed to share purchase warrants.

8. SHARE CAPITAL *(continued)*

a) Common shares (continued)

In connection with the private placement, the Company paid finder's fees of $80,395, and has issued 420,000 finder's warrants with a fair value of $8,778 to finder's who introduced subscribers for this offering to the Company. Each finder's warrant is exercisable into one common share of the Company, at a price of $0.25 per share for a period of 12 months.

Issued During the Year Ended March 31, 2012:

On August 30, 2011, upon the TSX Venture approval, pursuant to the Tilava mineral property agreement, the Company issued 300,000 common shares at a deemed price of $0.23.

On August 30, 2011, pursuant to the Tilava mineral property finders' agreement the Company issued 15,000 common shares at a deemed price of $0.23.

On January 19, 2012, pursuant to the Tilava mineral property agreement the Company issued 600,000 common shares at a deemed price of $0.18.

b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

The Company did not issue any preferred shares.

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

During the six months ended September 30, 2012, the Company recognized share-based compensation of $49,497 (2011 - $27,466) in contributed surplus, which will be applied to share capital upon exercise. The weighted average fair value of the options granted during the period ended September 30, 2012, was $0.16 per option (2011 - $0.12).

(Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

c) Stock options *(continued)*

The fair value of stock options granted during the period ended September 30, 2012 is determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	2012	2011
Weighted average risk-free interest rate	**1.21%**	1.75%
Weighted average estimated volatility	**89%**	103%
Weighted average expected life	**5 years**	1 year
Weighted average expected dividend yield	**0%**	0%

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility which was estimated based on historical volatility of the Company's publicly-traded shares. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

No options were exercised during the six months ended September 30, 2012.

	September 30, 2012		*March 31, 2012*	
	Number of Options	***Weighted Average Exercise Price***	*Number of Options*	*Weighted Average Exercise Price*
Balance, beginning of period	**3,015,000**	**$ 0.27**	2,177,500	$ 0.31
Cancelled	**(60,000)**	**0.28**	(900,000)	0.33
Granted	**765,000**	**0.16**	1,745,000	0.23
Expired	**-**	**-**	(7,500)	0.40
Balance, end of period	**3,720,000**	**$ 0.24**	3,015,000	$ 0.26
Exercisable, end of period	**3,526,250**	**$ 0.24**	2,715,000	$ 0.27

(Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

c) Stock options *(continued)*

As of September 30, 2012, the following stock options were outstanding and exercisable:

Number of Options Outstanding	*Exercise Price*	*Expiry Date*	*Number of Options Exercisable*
370,000	$ 0.17	December 18, 2013	282,500
1,050,000	$ 0.34	November 11, 2015	1,050,000
220,000	$ 0.35	March 31, 2016	220,000
990,000	$ 0.20	October 13, 2016	990,000
125,000	$ 0.22	November 3, 2016	125,000
200,000	$ 0.20	January 3, 2014	150,000
75,000	$ 0.25	April 3, 2017	75,000
690,000	$ 0.15	July 25, 2017	633,750
3,720,000			3,526,250

d) Share purchase warrants

Warrant transactions are summarized as follows:

	September 30 2012		*March 31, 2012*	
	Number of Warrants	***Weighted Average Exercise Price***	*Number of Warrants*	*Weighted Average Exercise Price*
Balance, beginning of period	**9,850,000**	**$ 0.25**	9,850,000	$ 0.25
Issued in private placement	**3,920,000**	**$ 0.25**	-	-
Expired	**(9,850,000)**	**$ 0.25**		
Exercised	**-**	**-**	-	-
Balance, end of period	**3,920,000**	**$ 0.25**	9,850,000	$ 0.25

The proceeds from the units issued in private placement during the six months ended September 30, 2012 (Note 9(a)) were allocated between common shares and common share purchase warrants recorded in share capital on a pro-rata basis based on relative fair values of the shares of $0.13 and purchase warrants of $0.0209. The fair value of purchase warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield - 0.00%; expected stock price volatility - 117%; risk-free interest rate - 1.08%; expected life - 1 years. The weighted average value of purchase warrants issued during the six months ended September 30, 2012 was $0.0209 per warrant.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

d) Share purchase warrants *(continued)*

Each share purchase warrant is exercisable for one common share. The following table summarizes information about warrants outstanding and exercisable at September 30, 2012:

Exercise Price	*Expiry Date*	*Warrants Outstanding*	*Weighted Average Remaining Contracted Life (Years)*
$ 0.25	September 28, 2013	3,920,000	1.00

9. RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2012, the Company incurred $49,024 (2011 - $76,393) in geological services which were capitalized to resource properties, $75,319 (2011 - $63,404) in office, general and consulting expenses, $Nil (2011 - $284) in professional fees, $16,887 (2011 - $7,014) in management fees and $8,554 (2011 - $4,997) in travel, promotion and shareholder information from a company in which an officer and a director of the Company is an employee. A total of $16,521 (March 31, 2012 - $24,078 payable) was advanced to this company as at September 30, 2012. These expenses were charged to the Company at cost without markup.

During the six months ended September 30, 2012, the Company incurred $25,650 (2011 - $21,000) in management fees from a company controlled by a director and officer of the Company. A total of $4,536 was payable with respect to these fees as at September 30, 2012 (March 31, 2012 - $5,040).

Receivable from a director and officer of the Company amounts to $8,248 (March 31, 2012 - $8,248) as at September 30, 2012. Included in accounts payable relating to this director and officer amounts to $Nil (March 31, 2012 - $162) as at September 30, 2012.

During the year ended March 31, 2012 the Company advanced funds to a company in which an officer and a director of the Company is an employee for using office equipment. As at September 30, 2012, $4,696 (March 31, 2012 - $7,440) of this advance is outstanding.

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

(Expressed in Canadian Dollars)

10. SUPPLEMENTAL CASH FLOW INFORMATION

The components of cash and cash equivalents are as follows:

	September 30, 2012	March 31, 2012
Cash	**$ 3,462,655**	$ 2,733,717
Term deposit	-	-
Total cash and cash equivalents	**$ 3,462,655**	$ 2,733,717

The significant non-cash financing and investing transactions during the period are as follows:

	September 30, 2012	March 31, 2012
Common shares issued to acquire resource properties	**$ -**	$ 180,450
Capitalized exploration expenditures included in accounts payable	**$ -**	$ 140,205
Capitalized exploration expenditures included in accounts receivable	**$ (390,593)**	$ (390,593)
Capitalized share-based compensation included in resource properties	**$ -**	$ 39,816
Increase in fair value of investments in equity instruments	**$ 300**	$ 2,100

Other cash flow information:

	September 30, 2012	March 31, 2012
Interest received	**$ 16,329**	$ 57,385
Interest paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

Restricted cash of $50,350 (March 31, 2012 - $50,000) relates to guaranteed investment certificates held at a Canadian financial institution as reclamation bond for Golden Loon resource property (see Note 7).

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

a) Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders. As at September 30, 2012, the Company does not have any debt, other than accounts payable and accrued liabilities, and is not subject to externally imposed capital requirements.

b) 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 maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash and cash equivalents are invested in business accounts with quality financial institutions, are available on demand for the Company's programs, and are not invested in any asset backed commercial paper. All of the Company's financial liabilities have a maturity of less than one year.

c) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents, and other assets with high-credit quality financial institutions.

The majority of the Company's cash and cash equivalents are held with major Canadian based financial institutions. The Company views the credit risk associated with receivables as minimal as the balance primarily consists of HST recoverable and Mineral Exploration Tax Credit receivable from Government of Canada.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (*continued)*

d) Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

e) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in reclamation bond as they are generally held with large financial institutions.

f) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of gold and other precious metals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

The estimated fair value of financial assets is equal to their carrying values due to the short-term nature of these instruments.

g) Fair-value hierarchy

Financial instruments measured in fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The fair value of cash and cash equivalents and investments in equity instruments are measured based on level 1 of the fair value hierarchy.

SCHEDULE "C"

INVESTMENT POLICY

Investment Objective

The investment objective of Planet Mining Exploration Inc. (the "**Corporation**") is to provide investors with long-term capital growth by investing in a portfolio of undervalued resource companies.

Investment Strategy

The following shall be the guidelines for the Corporation's investment strategy:

1. Investments shall be focused in the junior resource exploration market. It is expected that such investments shall primarily include issuers listed on Canadian stock exchanges, with some exposure to global equity markets.

2. The investment portfolio may be comprised of securities of both public and private issuers primarily in the resource sector, including precious metals, uranium and coal, oil and gas, base metals, potash, lithium and rare earths sectors, but may also include investments in certain other sectors, including industrial metals, water, green energy, alternative energy, and agriculture.

3. Target investments shall encompass companies at all stages of development, including pre-initial public offering and/or early stage resource companies with undeveloped and undervalued high-quality resources requiring start-up or development capital, as well as intermediate and senior companies.

4. Initial investments of equity, debt or a combination thereof may be made through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments, which will be acquired and held both for long-term capital appreciation and shorter-term gains.

5. The nature and timing of the Corporation's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Corporation.

6. A key aspect of the investment strategy shall be seeking undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends. Notwithstanding this requirement, consideration will be given to opportunities where existing management may need the infusion of high level guidance, direction and expertise from the Corporation. In such situations, the Corporation intends to work closely with an investee company's management and board of directors to structure and deliver the strategic and financial resources to help such company best take advantage of its prospective or estimated resources and to mature into a successful commercial enterprise.

7. In general, the investment activities of the Corporation are expected to be passive. However, the Corporation may, from time to time, seek a more active role in situations where involvement of the Corporation is expected to make a significant difference to success and resulting appreciation. The Corporation may seek equity participation in situations to which the Corporation can potentially add value by its involvement, not only financially but also by the contribution of guidance and additional management expertise.

8. In the resource sector, the primary focus of the Corporation will be to invest in securities of issuers which have quality proven or prospective resources in locations which management of the Corporation believes are, or will become, amenable to development of the resource. In any other sectors, the Corporation expects to invest in securities of issuers which it believes have competitive advantages in an area with a large potential market.

9. Immediate liquidity shall not be a requirement, but each investment shall be evaluated in terms of a clear exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.

10. Subject to applicable laws, there are no restrictions on the size or market capitalization with respect to the Corporation's investments in the equity securities of public or private issuers.

11. Cash reserves may, from time to time as appropriate, be placed into high quality money market investments, including Canadian Treasury Bills or corporate notes rated at least R-1 by DBRS Limited, each with a term to maturity of less than one year.

12. The Corporation will not purchase or sell commodities, purchase the securities of any mutual fund, purchase or sell real estate (except insofar as comprised in a mineral property), purchase mortgages or sell mortgages or purchase or sell derivatives (except that the Corporation may sell call options to purchase securities owned by the Corporation as a means of locking in gains or avoiding future losses).

13. Subject to the full approval of the board of directors of the Corporation (the "**Board**"), the investment committee (the "**Investment Committee**") established by the Corporation may consider certain special investment situations, including assuming a controlling or joint-controlling interest in an investee company, which may also involve the provision of advice to management and/or board participation.

14. All investments shall be made in full compliance with applicable laws in relevant jurisdictions, and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as its sees fit for the benefit of the Corporation and its shareholders.

Asset Allocation

In determining the sector weighting of the investment portfolio, the Investment Committee shall analyze the current economic conditions and trends in North American and global economies and shall seek to respond quickly to such changes. The investment portfolio shall be positioned in accordance with the market view of the Investment Committee from time to time. Sector allocations may vary significantly over time.

Rebalancing

Asset allocations will be reviewed by the Investment Committee on a monthly basis. Reallocations are anticipated to be required infrequently except during extremely volatile market periods.

Implementation

The officers, directors and management of the Corporation shall work jointly and severally to uncover appropriate investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channelled through the Investment Committee. The Investment Committee shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Corporation in accordance with the investment evaluation process below, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants.

Once a decision has been reached to invest in a particular situation, a short summary of the rationale behind the investment decision should be prepared by the Investment Committee and submitted to the Board. This summary should include guidelines against which future progress can be measured. The summary should also highlight any finder's or agents' fees payable.

All investments shall be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Corporation's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Corporation. Negotiations may be on-going before and after the performance of due diligence. The representative(s) of the Corporation involved in these negotiations will be determined in each case by the circumstances.

Investment Evaluation Process

The Investment Committee shall use both a top-down and bottom-up approach in identifying and submitting investments to the Board for approval. The investment approach will be to develop a macro view of a sector, build a position consistent with such view by identifying micro-cap opportunities within that sector, and devise an exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.

In selecting securities for the investment portfolio of the Corporation, the Investment Committee will consider various factors in relation to any particular issuer, including:

(a) inherent value of its resource assets or other assets (in the case of a non-resource issuer);

(b) proven management, clearly-defined management objectives and strong technical and professional support;

(c) future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;

(d) anticipated rate of return and the level of risk;

(e) financial performance; and

(f) exit strategies and criteria.

Conflicts of Interest

The Corporation has assembled a strong Board and management team, with diverse backgrounds and significant business expertise and experience. In assembling a Board with these characteristics, the Corporation has two primary goals:

(a) to gain exposure to a wide variety of potential investments, including investments that Board members may already be familiar with or that come to their attention through other business dealings: and

(b) where a Board member has a personal interest in a potential investment, to ensure that the Corporation has independent, qualified directors available to conduct an independent assessment.

The Corporation has no restrictions with respect to investing in companies in which a Board member may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Corporation may only proceed after receiving approval from disinterested directors of the Board. The Corporation is also subject to the "related party" transaction policies of the TSX Venture Exchange Inc., which mandates disinterested shareholder approval to certain transactions.

Management Participation

The Corporation may, from time to time, seek a more active role in the companies in which it invests, and provide such companies with financial and personnel resources, as well as strategic counsel. The Corporation may also ask for board representation in cases where it makes a significant investment in the business of an investee company. The Corporation's nominee(s) shall be determined by the Board as appropriate in such circumstances.

Monitoring and Reporting

The Corporation's Chief Financial Officer shall be primarily responsible for the reporting process whereby the performance of each of the Corporation's investments is monitored. Quarterly financial and other progress reports shall be gathered from each corporate entity, and these shall form the basis for a quarterly review of the Corporation's investment portfolio by the Investment Committee. Any deviations from expectation are to be investigated by the Investment Committee, and if deemed to be significant, reported to the Board.

With public company investments, the Corporation is not likely to have any difficulty accessing financial information relevant to its investment. In the event the Corporation invests in private enterprises, it shall endeavour in each case to obtain a contractual right to be provided with timely access to all books and records it considers necessary to monitor and protect its investment in such private enterprises.

A full report of the status and performance of the Corporation's investments is to be prepared by the Investment Committee and presented to the Board at the end of each fiscal year.