FIREBIRD resources inc.

Consolidated Financial Statements

(expressed in Canadian dollars)

As at and for the years ended

April 30, 2012 and 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Firebird Resources Inc., or the "Company", have been prepared by management in accordance with International Financial Reporting Standards and contain estimates based on management's judgement. Management maintains an appropriate system of internal controls to provide assurance that transactions are authorized, assets safeguarded and proper records maintained.

The Audit Committee of the Board of Directors has reviewed with the Company's independent auditors the scope and results of the annual audit and the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company's independent auditors, Saturna Group Chartered Accountants LLP are appointed by the shareholders to conduct an audit in accordance with Canadian generally accepted auditing standards and their report follows.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR") AND DISCLOSURE CONTROLS AND PROCEDURES ("DCP")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

As the Company is a Venture Issuer (as defined under under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and management are not required to include representations relating to the establishment and/or maintenance of DCP and/or ICFR, as defined in NI 52-109.

"John Cook"
President and Chief Executive Officer
August 27, 2012

"Stephen Gledhill"
Chief Financial Officer
August 27, 2012

SATURNA GROUP
CHARTERED ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Firebird Resources Inc.

We have audited the accompanying consolidated financial statements of Firebird Resources Inc., which comprise the consolidated statements of financial position as at April 30, 2012, April 30, 2011, and May 1, 2010, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years ended April 30, 2012 and 2011, and the related notes, which comprise 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 consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated 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 involves evaluating the appropriateness of the 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2012, April 30, 2011, and May 1, 2010, and its financial performance and its cash flows for the years ended April 30, 2012 and 2011, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 of the consolidated financial statements, which indicates that Firebird Resources Inc. experienced continued net losses from operations since inception. This condition, along with other matters as set forth in note 1 in the consolidated financial statements, indicates the existence of a material uncertainty that may cast significant doubt about Firebird Resources Inc.'s ability to continue as a going concern.

Saturna Group LLP

Chartered Accountants

Vancouver, Canada

August 24, 2012

Firebird Resources Inc.
Consolidated Statements of Financial Position

(expressed in Canadian dollars)

As at	**April 30, 2012 $**	April 30, 2011 $	May 1, 2010 $
		(note 4)	(note 4)
ASSETS			
Current assets			
Cash	**133,925**	178,334	383,483
Amounts receivable	**47,510**	14,437	2,518
Prepaid expenses	**-**	-	3,968
Total current assets	**181,435**	192,771	389,969
Non-current assets			
Loan receivable (note 9)	**644,425**	-	-
TOTAL ASSETS	**825,860**	192,771	389,969
LIABILITIES			
Current liabilities			
Trade payables	**161,402**	202,766	16,685
Accrued liabilities and other payables	**38,280**	65,552	36,153
Due to related parties (note 11)	**50,507**	24,556	126,581
Total current liabilities	**250,189**	292,874	179,419
Convertible debenture – net of unamortized discount of $147,025 (2011 - $167,158, 2010 - $213,376) (note 10)	**107,975**	87,842	41,624
TOTAL LIABILITIES	**358,164**	380,716	221,043
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital (note 12)	**19,524,482**	16,462,327	11,564,327
Share subscriptions received (note 12)	**-**	373,000	-
Share-based payment reserves (note 12)	**2,894,941**	1,382,257	148,481
Equity portion of convertible debenture (note 10)	**231,092**	231,092	231,092
Deficit	**(22,182,819)**	(18,636,621)	(11,774,974)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	**467,696**	(187,945)	168,926
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**825,860**	192,771	389,969

Going concern – note 1
Subsequent event – note 16

Approved and authorized for issue by the Board on August 27, 2012:

"Glen MacDonald"
Director

"Thomas Tough"
Director

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

Firebird Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars- except weighted average number of shares outstanding)

Years ended	April 30, 2012 $	April 30, 2011 $
		(note 4)
Operating Expenses		
Exploration and evaluation expenditures (note 13)	**1,538,949**	5,200,828
Foreign exchange gain	**(4,398)**	-
General and administrative (note 11)	**192,906**	168,987
Management fees (note 11)	**179,750**	93,000
Professional fees	**140,859**	124,919
Share-based compensation *(notes 11 and 12)*	**1,430,384**	1,233,776
Total operating expenses	**3,478,450**	6,821,510
Net loss before other income (expense)	**(3,478,450)**	(6,821,510)
Other income (expense)		
Accretion of discount on convertible debentures	**(20,132)**	(46,218)
Accretion of discount on loan receivable	**(55,575)**	-
Interest income	**33,502**	-
Interest expense	**(25,543)**	(25,500)
Gain on settlement of debt	**-**	31,581
Total other income (expense)	**(67,748)**	(40,137)
Net loss and comprehensive loss	**(3,546,198)**	(6,861,647)
Basic and diluted loss per share	**(0.05)**	(0.14)
Weighted average number of common shares outstanding - basic and diluted	**71,004,420**	47,782,539

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

Firebird Resources Inc.
Consolidated Statements of Changes in Equity

(expressed in Canadian dollars)

	Share Capital			Share-based payment reserves				
	Number of Shares	Amount $	Share subscriptions received $	Warrants $	Options $	Equity portion of convertible debentures $	Deficit $	Total $
Balance at May 1, 2010	**38,825,814**	**11,564,327**	**-**	**-**	**148,481**	**231,092**	**(11,774,974)**	**168,926**
Exercise of share purchase warrants	1,925,000	98,000	-	-	-	-	-	98,000
Issued for property option payment	9,056,603	4,800,000	-	-	-	-	-	4,800,000
Subscriptions received	-	-	373,000	-	-	-	-	373,000
Fair value of stock options	-	-	-	-	1,233,776	-	-	1,233,776
Net loss for the year	-	-	-	-	-	-	(6,861,647)	(6,861,647)
Balance at April 30, 2011	**49,807,417**	**16,462,327**	**373,000**	**-**	**1,382,257**	**231,092**	**(18,636,621)**	**(187,945)**
Exercise of warrants	27,150,000	1,357,500	-	-	-	-	-	**1,357,500**
Issued for property option payment	400,000	144,000	-	-	-	-	-	**144,000**
Private placement	3,653,000	2,191,800	(373,000)	-	-	-	-	**1,818,800**
Share issuance costs – cash	-	(152,166)	-	-	-	-	-	**(152,166)**
Share issuance costs - warrants	-	(82,300)	-	82,300	-	-	-	**-**
Spin-out of subsidiary's shares (note 2)	-	(396,679)	-	-	-	-	-	**(396,679)**
Fair value of stock options	-	-	-	-	1,430,384	-	-	**1,430,384**
Net loss for the year	-	-	-	-	-	-	(3,546,198)	**(3,546,198)**
Balance at April 30, 2012	**81,010,417**	**19,524,482**	**-**	**82,300**	**2,812,641**	**231,092**	**(22,182,819)**	**467,696**

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

Firebird Resources Inc.
Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

Years ended	April 30, 2012 $	April 30, 2011 $
		(note 4)
Operating activities		
Net loss for the year	**(3,546,198)**	(6,861,647)
Items not affecting cash:		
Accretion on discount of convertible debentures	**20,132**	46,218
Accretion of discount on loan receivable	**55,575**	-
Share-based compensation	**1,430,384**	1,233,776
Shares issued for mineral property payments	**144,000**	4,800,000
Gain on settle of debt	**-**	(31,581)
Non-cash exploration expenditure recoveries	**(396,679)**	-
Changes in non-cash working capital items		
Amounts receivable	**(33,074)**	(11,919)
Prepaid expenses	**-**	3,968
Trade payables, accrued liabilities and other payables	**(68,634)**	215,480
Due to related parties	**25,951**	9,556
Net cash used in operating activities	**(2,368,543)**	(596,149)
Financing activities		
Proceeds from issuance of shares and subscriptions received	**1,818,800**	471,000
Share issuance costs	**(152,166)**	-
Proceeds from exercise of warrants	**1,357,500**	-
Repayment of shareholder loans	**-**	(80,000)
Net cash provided from financing activities	**3,024,134**	391,000
Investing activities		
Related-party loan receivable	**(700,000)**	-
Net cash used in investing activities	**(700,000)**	-
Decrease in cash	**(44,409)**	(205,149)
Cash, beginning of period	**178,334**	383,483
Cash, end of period	**133,925**	178,334
Non-cash investing and financing activities		
Issuance of shares for finders' fees	82,300	-
Supplemental disclosures		
Interest paid	39,612	-
Income taxes paid	-	-

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

1. Nature of operations and going concern

The Company was incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange. On November 4, 2009, the Company changed its name from Falcon Ventures International Inc. to Firebird Resources Inc. The Company is an exploration-stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered and head office is located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, M5H 1T1.

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2012, the Company has not generated any revenues from operations, has an accumulated deficit of $22,182,819 (April 30, 2011 - $18,636,621; May 1, 2010 - $11,774,974) and has a working capital deficit of $68,754 (April 30, 2011 - $100,103; May 1, 2010 – surplus of $210,550). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Spin-out transaction

On May 17, 2011, the Company announced that it had received an order from the Supreme Court of British Columbia authorizing it to convene an annual and special meeting for the purpose of considering and approving a plan of arrangement whereby GTO Resources Inc. ("GTO"), a wholly-owned subsidiary of the Company, would acquire the Company's interest in its Rose Property (the "Spin-out"), and through the distribution of shares to existing shareholders, would become an independently-listed company. Each shareholder of the Company received one common share of the Company and one-half of one common share of GTO. Each warrant holder received one new common share purchase warrant of the Company under the same terms as the existing share purchase warrants, and one-half of one common share purchase warrant of GTO. On June 13, 2011, the shareholders of the Company approved the plan of arrangement. On June 14, 2011, the Company received final approval for the plan of arrangement and such plan closed on July 27, 2011, with GTO commencing trading on the TSX Venture Exchange on July 28, 2011 under the trading symbol of "GTR".

In concert with the Spin-out, the Company loaned GTO $700,000 (the "GTO Loan"), which is unsecured, bears interest at an annual interest rate of Royal Bank of Canada's prime lending rate plus 3%, compounded semi-annually, and is due on July 18, 2013. In addition, the GTO loan is convertible into common shares of GTO using a weighted average closing price of the first ten trading days following GTO's listing of its common shares subject to a minimum conversion price of $0.10 per share. See note 9 to these consolidated financial statements for additional details regarding the loan.

3. Basis of Preparation

3.1 Statement of compliance

These consolidated financial statements represent the first annual financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The Company adopted IFRS in accordance with *IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1")*. Previously, the Company prepared its annual and interim financial statements in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP").

The functional currency of the Company is Canadian dollars and the consolidated financial statements have been prepared in Canadian dollars.

3.2 Basis of presentation

These financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash-flow information.

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 GAAP. The accounting policies set out below have been applied consistently to all periods presented in these financial statements. They have been applied in preparing an opening IFRS balance sheet as at May 1, 2010 for the purposes of the transition to IFRS. The impact of the transition from Canadian GAAP to IFRS is exhibited in note 4.

3.3 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after May 1, 2012. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

At the date of authorization of the financial statements, the IASB and IFRIC has 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'*** – effective for annual periods beginning on or after July 1, 2012 which requires companies to group together items within other comprehensive income that may be reclassified to statement of income. The amendments also reaffirm existing requirements that items in OCI and profit and loss should be presented as either a single statement or two separate statements.

- **IFRS 9 *'Financial Instruments: Classification and Measurement'*** – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

3. Basis of Preparation

3.3 Adoption of new and revised standards and interpretations (continued)

- **IFRS 10 '*Consolidated Financial Statements'*** – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- **IFRS 11 '*Joint Arrangements'*** - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- **IFRS 12 '*Disclosure of Interests in Other Entities'*** - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- **IFRS 13 '*Fair Value Measurement'*** - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance setting out a single IFRS framework for measuring fair value and require disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measures (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), expect for: share-based payment transactions within the scope of IFRS 2, Share-based Payment; leasing transactions within the scope of IAS 17, Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2, Inventories, or value in use in IAS 36, Impairment of Assets.

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 consolidated financial statements of the Company.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have significant impact on the Company's financial statements.

4. First Time Adoption of IFRS

The Company has adopted IFRS on May 1, 2011 with a transition date of May 1, 2010 (the "Transition Date"). Under IFRS 1, the IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit unless certain exemptions are applied.

The Company elected to take the following IFRS 1 optional exemptions:

- to apply the requirements of **IFRS 3, *Business Combinations*** and **IAS 27, *Consolidated and Separate Financial Statements*,** prospectively from the Transition Date; and
- to apply the requirements of **IFRS 2, *Share-based payments***, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date;

(expressed in Canadian dollars)

4. First Time Adoption of IFRS (continued)

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 May 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

In preparing the opening IFRS statement of financial position, comparative information for the statement of loss and comprehensive loss and statement of cash flows for the year ended April 30, 2011, the Company has adjusted amounts previously recorded in the consolidated financial statements prepared in accordance with Canadian GAAP.

The consolidated financial statements prepared under IFRS and that prepared under Canadian GAAP for periods beginning on or after May 1, 2010 have the following differences:

(i) Under IFRS, acquisition, exploration, and evaluation expenditures may be expensed as incurred, unless such costs are expected to be recovered through successful development and exploration of the property or, alternatively, by its sale. Under Canadian GAAP, the amounts are capitalized and amortized over the estimated useful life of the properties following the commencement of production.

(ii) Under IFRS, flow-through shares are measured on the date that the transaction is completed and to calculate a flow-through share premium for the difference between the value of flow-through shares issued and the market value of common shares, which is recorded as a liability and taken as a gain on the statement of loss and comprehensive loss once the Company incurs qualifying expenditures. Under Canadian GAAP, the transaction is measured on the date that the transaction is renounced with Canadian tax authorities and there were no requirements to record a flow-through share premium. The effect of transition to IFRS resulted in additional expense of $39,772 and a corresponding credit to share capital as at May 1, 2010.

(iii) Under IFRS, separate disclosure should be made for each component of equity as a reserve within equity. Under Canadian GAAP, the amounts were recorded under contributed surplus. The effect of the transition IFRS resulted in a reclassification between the various equity components of the statement of financial position and had no overall impact on the consolidated financial statements. At April 30, 2011, the effect of transition to IFRS resulted in a reclassification of contributed surplus to share-based payment reserve of $1,382,257 (May 1, 2010 - $148,481).

The effects of the transition to IFRS of the consolidated financial statements are as follows:

Statement of Financial Position

(i) Total assets

	April 30, 2011 $	May 1, 2010 $
Total assets under Canadian GAAP	5,771,827	768,197
Adjustments for transition to IFRS:		
(i) adjustment for exploration and evaluation assets	(5,579,056)	(378,228)
Total assets under IFRS	**192,771**	**389,969**

(expressed in Canadian dollars)

4. First Time Adoption of IFRS (continued)

(ii) Total shareholders' equity

May 1, 2010	Canadian GAAP $	Adjustment for IFRS $	IFRS $
Share capital	11,524,555	39,772	11,564,327
Contributed surplus	148,481	(148,481)	–
Share-based payment reserves	–	148,481	148,481
Equity portion of convertible debenture	231,092	–	231,092
Deficit	(11,356,974)	(418,000)	(11,774,974)
Total shareholders' equity	**547,154**	**(378,228)**	**168,926**

April 30, 2011	Canadian GAAP $	Adjustment for IFRS $	IFRS $
Share capital	16,422,555	39,772	16,462,327
Contributed surplus	1,382,257	(1,382,257)	–
Share-based payment reserves	–	1,382,257	1,382,257
Equity portion of convertible debenture	231,092	–	231,092
Share subscriptions received	373,000	–	373,000
Deficit	(13,017,793)	(5,618,828)	(18,636,621)
Total shareholders' equity	**5,391,111**	**(5,579,056)**	**(187,945)**

The transition to IFRS had no impact to total liabilities as at April 30, 2011 and May 1, 2010.

Statement of Loss and Comprehensive Loss

	Year ended April 30, 2011 $
Net loss and comprehensive loss under Canadian GAAP	1,660,819
Adjustments for transition to IFRS:	
(i) adjustment for exploration and evaluation assets	5,200,828
(ii) adjustment for flow-through shares	–
Net loss and comprehensive loss under IFRS	**6,861,647**

(expressed in Canadian dollars)

4. First Time Adoption of IFRS (continued)

Statement of Cash Flows

	Year ended April 30, 2011 $
Net cash used for operating activities under Canadian GAAP	(195,321)
Adjustments for transition to IFRS:	
(i) adjustment for exploration and evaluation assets	(400,828)
(ii) adjustment for flow-through shares	–
Net cash used for operating activities under IFRS	**(596,149)**

	Year ended April 30, 2011 $
Net cash used for investing activities under Canadian GAAP	(400,828)
Adjustments for transition to IFRS:	
(i) adjustment for exploration and evaluation assets	400,828
(ii) adjustment for flow-through shares	–
Net cash used for investing activities under IFRS	**–**

5. Summary of Significant Accounting Policies

5.1 Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-controlled inactive subsidiaries, Falcon Ventures (US) Corp. (“Falcon”), K.K. Tan International Inc. (“KK Tan”) and its active subsidiary, Firebird Gold, Inc. (“Firebird Gold”). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

5. Summary of Significant Accounting Policies (continued)

5.2 Mineral properties

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are first tested for impairment and then capitalized to mining property and development assets within property, plant and equipment. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

5.3 Decommissioning, restoration and similar liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As of the date of the financial statements, the Company has no decommissioning or restoration costs.

5.4 Share-based payments

Share-based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment using the Black-Scholes option pricing model using estimates at the date of grant.

Equity-settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted. The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

5. Summary of Significant Accounting Policies (continued)

5.4 Share-based payments (continued)

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

5.5 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity and not in profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interoperation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

5.6 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the year ended April 30, 2012, all the outstanding stock options and warrants were antidilutive.

5. Summary of Significant Accounting Policies (continued)

5.7 Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss is stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for-sale.

Loans and receivables

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

5. Summary of Significant Accounting Policies (continued)

5.7 Financial instruments (continued)

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

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

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount 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 available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: trade payables, accrued liabilities and other payables, and amounts due to related parties.

5. Summary of Significant Accounting Policies (continued)

5.7 Financial instruments (continued)

(iii) Share capital

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

5.8 Impairment of non-current assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of: (i) fair value less costs to sell; and (ii) value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount 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.

5.9 Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are ready convertible to known amounts of cash, and are subject to an insignificant risk of changes in fair value to be cash equivalents.

5.10 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

5. Summary of Significant Accounting Policies (continued)

5.11 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Canadian dollar, and the presentation of the subsidiaries in the group is the United States of America dollar. The consolidated financial statements are presented in Canadian dollars, which is the group's presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange in effect at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency 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 the fair value is determined. Gains and losses resulting from foreign exchange transactions are recorded in the consolidated statements of loss and comprehensive loss.

5.12 Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to valuation and recoverability of loan receivable, equity component and accretion of convertible debenture, valuation of deferred income tax amounts and the measurement of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities, determination of the commencement of commercial production and the determination of the economic viability of a project.

5.13 Flow-through shares

The 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 Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

6. Capital management

The Company considers its capital structure to be equity, which is comprised of share capital, share-based payment reserve, share subscriptions received, and deficit, which as at April 30, 2012 totaled $467,696 (2011 - $(187,945)). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk measurement remains unchanged from the year ended April 30, 2011.

7. Financial instruments

Fair value

The Company has, designated its cash as FVTPL, which are measured at fair value. The fair values of other financial instruments, which include amounts receivable, loan receivable, trade payable, accrued liabilities and other payables, and amounts due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments. The fair value of convertible debenture is estimated to approximate its carrying value based on borrowing rates currently available to the Company for a loan with similar terms.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

7. Financial instruments (continued)

i) Credit risk

a. **Cash** – Cash is held with major Canadian and United States banks and the risk of loss is minimal.

b. **Amounts receivable** – The Company's credit risk varies with its amounts receivable. The GST/HST receivable of $14,008 has relatively low risk of non-recovery as this amount is due from the Canadian government. The remaining balance of $33,502 is interest receivable from GTO and its risk exposure is limited to the outstanding amount.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at April 30, 2012, the Company had a working capital deficiency of $68,754. The continued operation of the Company is dependent on its ability to generate future cash flows or obtain additional financing. In addition, in order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its some or all of its interests and reduce or terminate its operations therein.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

b. Currency risk

Although the Company's operations are conducted in Canadian dollars, it has entered into contracts or agreements that require payment in United States dollars. Management believes that foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

c. Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to funds exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

8. Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one-year period:

The Company's funds are kept in Canadian and US dollars at major Canadian and US financial institutions. As at April 30, 2012, the Company's exposure to foreign currency balances is $17,326.

The Company believes that a change of 10% in foreign exchange rates would have a diminimus effect on gains or losses for the period.

9. Loan receivable

On July 18, 2011, the Company provided a loan to GTO of $700,000 to assist with its start-up expenditure costs. Under the terms of the loan, the amount is unsecured, bears interest of Royal Bank of Canada prime rate plus 3% per annum compounded semi-annually, and is due on or before July 18, 2013. In addition, the loan is convertible into common shares of GTO using a weighted average closing price of the first ten trading days following GTO's listing of their common shares subject to a minimum conversion price of $0.10 per share.

The Company recorded the initial value of loan receivable at amortized cost of $608,697, using a discount rate of 15%, which is management's estimate of the prevailing market rate for a company of similar size and operations. During the year ended April 30, 2012, the Company recorded a recovery of the discount of loan receivable of $35,728, increasing the carrying value to $644,425 at April 30, 2012.

As at April 30, 2012, accrued interest of $33,502 has been recorded in amounts receivable.

10. Convertible debenture

On December 10, 2009, the Company completed a convertible debenture financing for proceeds of $255,000. The convertible debenture is unsecured and bears interest at 10% per annum payable annually in arrears. The debenture has a five year term plus one day and is convertible into common shares of the Company at $0.10 per common share, at the holder's option, for the duration of the term. The debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at $0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of $16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 per share for a period of five years.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was $23,908 and the amount attributable to the conversion option and warrants was $231,092. This amount represented a deemed discount on the debt issuance, and accordingly is being accreted in the statement of operations using the effect interest rate method over the five year term of the debt. During the year ended April 30, 2012, the Company recorded accretion expense of $20,132 (2011 - $46,218) and as at April 30, 2012, the Company's value of the convertible debenture is $107,975 (2011 - $87,842, May 1, 2010 - $41,624).

(expressed in Canadian dollars)

11. Related-party transactions

The Company incurred the following related-party transactions for the years ended April 30, 2012 and 2011:

Year ended April 30,	2012	2011
	$	$
General and administrative	**14,360**	9,500
Management fees	**143,750**	33,000
Share-based compensation to key management personnel	**550,360**	414,281

As disclosed in note 9, the Company loaned GTO $700,000 to assist with its start-up expenditures.

At April 30, 2012, the Company owed $50,507 (2011 – $9,556) to a company controlled by the Chief Executive Officer of the Company for management fees and expense reimbursement and $nil (2011 - $15,000) to shareholders of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand.

12. Equity

Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Share transactions for the year ended April 30, 2011

On June 15, 2010, the Company issued 30,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,500.

On July 27, 2010, the Company issued 20,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,000.

On November 30, 2010, the Company issued 20,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,000.

On January 24, 2011, the Company issued 20,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,000.

On February 1, 2011, the Company issued 1,420,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $71,000.

On February 16, 2011, the Company issued 9,056,603 common shares with a fair value of $4,800,000 pursuant to a mineral property option agreement.

On March 11, 2011, the Company issued 20,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,000.

On March 23, 2011, the Company issued 410,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $20,500.

On March 28, 2011, the Company issued 20,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,000.

(expressed in Canadian dollars)

12. Equity (continued)

Share transactions for the year ended April 30, 2011 **(continued)**

As at April 30, 2011, the Company had received $373,000 from share subscriptions relating to the subsequent issuance of common shares relating to a private placement.

Share transactions for the year ended April 30, 2012

On July 5, 2011, the Company completed a private placement of 3,653,000 units at $0.60 per share for proceeds of $2,191,800, of which $373,000 had been received as at April 30, 2011. Each unit consisted of one common share and one-half of a share purchase warrant. Each full share purchase warrant entitles the holder to purchase one additional common share at $1.00 per share up to January 5, 2013. In connection with this private placement, the Company paid finders' fees of $152,166 in cash and issued 255,710 share purchase warrants with a fair value of $82,300. These compensation warrants entitles the holder to purchase one common share at a price of $0.75 per share up to July 5, 2012. The fair value of the share purchase warrants was $82,300 calculated using the Black-Scholes opting pricing model assuming no dividends, expected volatility of 112%, expected life of 1 year, and risk-free rate of 1.24%.

On September 9, 2011, the Company issued 27,150,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $1,357,500.

On January 10, 2012, the Company issued 400,000 common shares with a fair value of $144,000 pursuant to a mineral property option agreement with Pageland Minerals Inc.

Share Purchase Warrants

	Number of warrants	Weighted average exercise price $
Balance, April 30, 2010	36,610,000	0.06
Exercised	(1,960,000)	0.05
Balance, April 30, 2011	**34,650,000**	**0.06**
Issued	2,082,210	0.97
Exercised	(27,150,000)	0.05
Balance, April 30, 2012	**9,582,210**	**0.30**

As at April 30, 2012, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
255,710	0.75	July 5, 2012
1,826,500	1.00	January 5, 2013
2,400,000	0.25	September 25, 2014
5,100,000	0.05	January 8, 2015
9,582,210		

(expressed in Canadian dollars)

12. Equity (continued)

Stock options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

On March 25, 2011, the Company issued 4,500,000 stock options to management, directors, and consultants of the Company, exercisable at $0.60 per share until December 31, 2013, with 25% vested on grant date, 25% vested on June 25, 2011, 25% vested on September 25, 2011, and 25% vested on December 25, 2011.

The following table summarizes the continuity of the Company's stock options:

	2012		2011	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding, beginning of year	4,500,000	0.60	–	–
Granted	–	–	4,500,000	0.60
Outstanding, end of year	4,500,000	0.60	4,500,000	0.60
Exercisable, end of year	4,500,000	0.60	1,125,000	0.60

Additional information regarding stock options outstanding as at April 30, 2012 is as follows:

	Outstanding and Exercisable			
Range of exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $	Fair value of vested options $
0.60	4,500,000	1.67	0.60	2,664,160

During the year ended April 30, 2012, the weighted average fair value of stock options granted was $nil (2011 - $0.62) per option. The fair value of the stock options vested during the period was $1,430,384 (2011 - $1,233,776) calculated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2012	2011
Risk-free interest rate	0.97%	1.41%
Expected life (in years)	2.27	2.77
Expected volatility	172%	100%

(expressed in Canadian dollars)

13. Exploration and evaluation expenditures

The exploration and evaluation expenditures for the Company are broken down as follows:

	Years ended		
	April 30, 2012	April 30, 2011	Cumulative Total
	$	$	$
Acquisition costs:			
Rose, Ontario	**(224,000)**	12,000	–
Mountain of Gold, Ontario	**(25,000)**	1,807	(23,193)
Pageland, South Carolina	**848,200**	5,000,000	5,848,200
	599,200	5,013,807	5,825,007
Exploration costs:			
Rose, Ontario	**(172,679)**	6,451	–
Pageland, South Carolina	**1,112,428**	180,570	1,292,998
	939,749	187,021	1,292,898
Exploration and evaluation expenditures	**1,538,949**	5,200,828	7,118,005

(a) Rose Property, Ontario

On July 27, 2011, the Company completed the spin-out to GTO and distributed the shares it received in exchange for the Company's interest in the Rose Property to shareholders of the Company. As the Spin-out was a related-party transaction, the fair value ascribed to the transaction was equal to the carrying value of the property under Canadian GAAP, or $396,679. Such amount represents a recovery of exploration and evaluation expenditures pursuant to the Company's decision to expense exploration and evaluation expenditures on transition to IFRS.

Pursuant to a mineral property option agreement dated January 20, 2005, the Company was granted an option to acquire a 100% undivided interest in 42 claims located in the Sudbury area of Ontario. In order to keep the option granted to the Company in good standing, the Company is obligated to:

i) issue 40,000 common shares (issued) and pay $27,000 (paid) by January 14, 2005;
ii) issue 45,000 common shares (issued) and pay $30,000 (paid) by January 28, 2006;
iii) issue 45,000 common shares (issued), pay $35,000 (paid), and incur exploration costs of not less than $80,000 by January 28, 2007;
iv) issue 45,000 common shares (issued), pay $40,000 (paid), and incur additional exploration costs of not less than $100,000 by January 28, 2008; and
v) issue 50,000 common shares (issued) and pay $40,000 (paid) by January 28, 2009.

Upon commencement of commercial production on the property, the Company will pay a royalty payment of $0.20 per pound of uranium produced and sold from the property to the option holder. The Company has the option and right to purchase and cancel the royalty payment at anytime in exchange for $1,200,000. In 2005, the Company staked 62 adjacent claims to the Rose Property, and these additional claims are not subject to the royalty payment on the uranium produced and sold from the property.

The Company is required to pay all taxes, levies, and other expenditures as may be required in order to maintain the property in good standing with the applicable regulatory bodies.

13. Exploration and evaluation expenditures (continued)

(b) Mountain of Gold, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:

i) issue 50,000 common shares on regulatory approval of the agreement;
ii) issue 50,000 common shares by May 4, 2006; and
iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for $1,000,000.

On December 22, 2011, the Company signed a property option agreement with each of Wedona Resources Inc., a private corporation and Clydesdale Resources Inc. (collectively the "Optionees"), a public company (together, the "Agreements"), whereby the Optionees each can earn a 50% interest in the Company's Mountain of Gold property.

Pursuant to the Agreements, each of the Optionees can earn a 50% interest in the property by incurring $250,000 in exploration expenditures and by paying the Company $125,000 in cash (or in Clydesdale Resources Inc.'s case, capital stock of equivalent value) over a three-year period until December 31, 2013, of which $25,000 has been received by the Company. These amounts are to be expended no later than December 31, 2014.

The Company shall have the option (the "Buyback Option") to purchase from the Optionees a 35% working interest in the property (being 70% of its working interest), on the condition that the purchase price under the Buyback Option shall be equal to two hundred fifty percent (250%) of the total expenditures that each of the Optionees has incurred on the project as at the time of purchase. Any additional working interest acquired by the Company under the Buyback Option shall be on a basis proportionate with the working interest at the time of exercise. Further, the Buyback Option may only be exercised in increments of 10%, in which case the purchase price shall be prorated accordingly. The Buyback Option expires on December 31, 2015.

(c) Pageland, South Carolina

Pursuant to a mineral property option agreement dated June 24, 2010, the Company was granted an option to acquire a 70% undivided interest in mineral claims in South Carolina. In order to keep the option granted to the Company in good standing, the Company is obligated to:

i) issue common shares with a fair value of $4,800,000 (issued) by January 31, 2012;
ii) pay $200,000 (paid) on or before March 31, 2011;
iii) pay $500,000 (paid) on or before June 30, 2011; and
iv) incur exploration costs of $495,000 (incurred) by August 31, 2011.

The Company has the option to acquire the remaining 30% interest in the mineral claims in exchange for $1,800,000 and incurring an additional $1,000,000 of exploration costs by October 31, 2012.

(expressed in Canadian dollars)

14. Segmented information

Operating Segments

As at April 30, 2012, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in the United States of America ("USA") and Canada. The Company's corporate division only earns revenues (interest income) that are considered incidental to the activities of the Company**.** As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent operating segment amounts.

Geographic Segments

The Company is in the business of mineral exploration in Canada and the USA. As such, management has organized the Company's reportable segments by geographic area. The USA segment is responsible for that country's mineral exploration activities while the Canadian segment manages corporate head office activities and is responsible for the Canadian mineral exploration activities. Information concerning Firebird's reportable segments is as follows:

	Year ended April 30, 2012 $	Year ended April 30, 2011 $
Consolidated net loss		
Canada	2,007,249	1,660,820
USA	1,538,949	5,200,827
	3,546,198	6,861,647

As at April 30,	**2012**	2011
Total assets		
Canada	**820,439**	192,771
USA	**5,421**	-
	825,860	192,771

(expressed in Canadian dollars)

15. Income taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

	2012	2011
	$	$
Net loss before income taxes	**(3,546,198)**	(6,861,647)
Combined statutory rate	**26.00%**	27.83%
Estimated income taxes	**(922,011)**	(1,909,596)
Tax effect of:		
Permanent differences and other	**352,042**	353,480
Change in enacted tax rates	**21,922**	152,946
Change in valuation allowance	**548,047**	1,403,170
Income tax provision	**-**	-

The tax effect of temporary differences that give rise to significant portions of the future income tax assets and future income tax liabilities are presented below:

	2012	2011
	$	$
Deferred income tax assets:		
Non-capital losses carried forward	**862,752**	571,023
Property and equipment	**51**	92
Share issuance costs	**37,983**	11,325
Resource pools	**1,589,032**	1,359,331
Valuation allowance	**(2,489,818)**	(1,941,771)
Net deferred income tax asset	**-**	-

As at April 30, 2012, the Company has $3,451,009 in non-capital losses available to be applied against future years' taxable income. These losses expire as follows:

	$
2014	217,846
2015	181,676
2026	194,112
2027	159,476
2028	241,374
2029	133,126
2030	211,190
2031	945,293
2032	1,166,916
Total	**3,451,009**

As at April 30, 2012, the Company also has available resource related expenditure pools totalling $5,437,324 which may be deducted against future taxable income on a discretionary basis.

16. Subsequent event

On July 18, 2012, the Company received a payment of $50,000 from GTO in regard to the GTO loan (refer to note 9). The payment has been applied firstly to outstanding accrued interest of $42,749 with the remainder applied to the outstanding principal.