Acme Resources Inc.

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)

Three Months Ended September 30, 2012

Expressed in Canadian Dollars

NOTICE TO READER

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

The accompanying unaudited interim condensed financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Acme Resources Inc.
Statements of financial position (Unaudited)
(Expressed in Canadian dollars)

	Notes	September 30, 2012	June 30, 2012
ASSETS			
Current assets			
Cash		$ 140,486	$ 165,826
Short-term investments	4	1,138	1,177
Receivables	5	4,719	3,513
Prepaid expenses and deposits		4,063	3,314
		150,406	173,830
Non-current assets			
Equipment	6	13,550	14,284
Investment in Golden Harp	7	402,822	400,000
Exploration and evaluation assets	8	1,168,754	1,168,754
		1,585,126	1,583,038
TOTAL ASSETS		$ 1,735,532	$ 1,756,868
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	9	$ 22,089	$ 25,650
TOTAL LIABILITIES		22,089	25,650
SHAREHOLDERS' EQUITY			
Share capital	11	17,134,569	17,134,569
Reserves	12	836,128	812,326
Deficit		(16,257,254)	(16,215,677)
TOTAL EQUITY		1,713,443	1,731,218
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 1,735,532	$ 1,756,868

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
COMMITMENTS (Note 16)

Approved on Behalf of the Board:

/s/ "Seamus Young" — Seamus Young, Director

/s/ "Shaun Maskerine" — Shaun Maskerine, Director

Acme Resources Inc.
Statements of comprehensive loss (Unaudited)
(Expressed in Canadian dollars)

		Three month periods ended	
	Notes	September 30, 2012	September 30, 2011
Expenses			
Amortization		$ 734	$ 928
Consulting fees	13	625	750
Office and miscellaneous	13	9,720	10,558
Professional fees		3,500	3,828
Salaries		5,355	5,354
Transfer agent and filing fees		624	687
Travel and promotion		-	313
Loss before other items		(20,558)	(22,418)
Other items			
Loss from equity investment	7	(21,019)	(17,230)
		(21,019)	(17,230)
Net loss		(41,577)	(39,648)
Other comprehensive income (loss)			
Unrealized loss on short-term investments, net of tax		(39)	(1,178)
Proportionate share of Golden Harp's unrealized gain on available for sale marketable securities		16,161	(82,969)
Proportionate share of Golden Harp's reclassification adjustment for losses(gains) included in net loss upon sale of short term investments		7,680	(2,289)
Total other comprehensive income (loss)		23,802	(86,436)
Total comprehensive loss		$ (17,775)	$ (126,084)
Loss per share – basic and diluted		(0.004)	(0.004)

Acme Resources Inc.
Statement of changes in equity (Unaudited)
(Expressed in Canadian dollars)

	Share capital		Reserves			
	Number of shares	Amount	Stock option reserve	Investment revaluation reserve	Deficit	Total
Balance at July 1, 2011	10,969,299	$ 17,134,569	$ 954,400	$ 21,750	$ (15,346,455)	$ 2,764,264
Net loss	-	-	-	-	(39,648)	(39,648)
Unrealized gain on marketable securities	-	-	-	(1,178)	-	(1,178)
Proportionate share of Golden Harp's unrealized (loss) on available for sale marketable securities	-	-	-	(82,969)	-	(82,969)
Proportionate share of Golden Harp's reclassification adjustment for (gains) included in Golden Harp's net loss upon sale of marketable securities	-	-	-	(2,289)	-	(2,289)
Balance at September 30, 2011	10,969,299	$ 17,134,569	$ 954,400	$ (64,686)	$ (15,386,103)	$ 2,638,180
Balance at July 1, 2012	10,969,299	$ 17,134,569	$ 954,400	$ (142,074)	$ (16,215,677)	$ 1,731,218
Net loss	-	-	-	-	(41,577)	(41,577)
Unrealized gain on marketable securities	-	-	-	(39)	-	(39)
Proportionate share of Golden Harp's unrealized gain on available for sale marketable securities	-	-	-	16,161	-	16,161
Proportionate share of Golden Harp's reclassification adjustment for loss included in Golden Harp's net loss upon sale of marketable securities	-	-	-	7,680	-	7,680
Balance at September 30, 2012	10,969,299	$ 17,134,569	$ 954,400	$ (118,272)	$ (16,257,254)	$ 1,713,443

Acme Resources Inc.
Statements of cash flows (Unaudited)
(Expressed in Canadian dollars)

	Three month periods ended	
	September 30, 2012	**September 30, 2011**
Operating activities		
Net loss	$ (41,577)	$ (39,648)
Adjustments for:		
Amortization	734	928
Loss from equity investment	21,019	17,230
	(19,824)	(21,490)
Changes in non-cash working capital items:		
Receivables	(1,206)	(3,736)
Prepaid expenses and deposits	(749)	9,082
Trade payables and accrued liabilities	(3,561)	13,812
Net cash flows used in operating activities	(25,340)	(2,332)
Investing activities		
Expenditures on exploration and evaluation assets	-	(19,256)
Net cash flows from (used in) investing activities	-	(19,256)
Decrease in cash	(25,340)	(21,588)
Cash, beginning	165,826	300,681
Cash, ending	$ 140,486	$ 279,093

See accompanying notes to the financial statements

1. Nature and continuance of operations

Acme Resources Inc. (the “Company”) was incorporated on July 10, 1978, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “ARI.V”.

The head office, principal address and records office of the Company are located at 1050 West Pender Street, Suite 910, Vancouver, British Columbia, Canada, V6E 3S1. The Company’s registered address is Robson Court, 840 Howe Street, Suite 1000, Vancouver, British Columbia, Canada, V6Z 2M1.

These unaudited condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2012 the Company had not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of preparation

The condensed interim financial statements were authorized for issue on November 14, 2012 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards
The condensed interim financial statements of the Company comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2012.

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

These condensed interim financial statements include an equity interest in Golden Harp Resources Inc. (“Golden Harp”), a company listed on the TSX-V. The Company’s ownership interest in Golden Harp was 40.51% at September 30, 2012 (June 30, 2012 - 40.51%). The Company’s ownership interest is accounted for using the equity method.

2. Significant accounting policies and basis of preparation (cont'd)

Investments

Investments in which the Company has a significant influence are accounted for by the equity method, whereby the Company records its proportionate share of the investee's income or loss. When the Company's equity investee issues its own shares to outside interests, a dilution gain or loss arises as a result of the difference between the Company's proportionate share of the proceeds and the carrying value of the underlying equity.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Farms outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

2. Significant accounting policies and basis of preparation (cont'd)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using a Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments *(cont'd)*

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

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

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has not classified any financial liabilities as FVTPL.

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

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

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of assets *(cont'd)*
Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The Company had no cash equivalents at September 30, 2012 or June 30, 2012.

Flow-through shares:
On the issuance of flow-through shares, any premium received in excess of the closing market price of the Company's common shares is initially recorded as a liability ("flow-through tax liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred and a deferred tax liability is recognized. The reduction to the flow-through tax liability is recognized in profit or loss as other income.

To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Restoration and environmental obligations
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

(Expressed in Canadian dollars - unaudited)

2. Significant accounting policies and basis of preparation (cont'd)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives, except for Airborne Field equipment which is calculated on the straight line over four years. The depreciation and amortization rates applicable to each category of property, plant and equipment are as follows:

Class	**Depreciation rate**
Computer equipment	30% Declining balance
Computer software	50% Declining balance
Office and field equipment	20% Declining balance

3. Accounting standards issued but not yet effective

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 10 "Consolidated Financial Statements"

This new standard will replace IAS 27 "Consolidated and Separate Financial Statements", and SIC-12 "Consolidation – Special Purpose Entities". Concurrent with IFRS 10, the IASB issued IFRS 11 "Joint Ventures"; IFRS 12 "Disclosures of Involvement with Other Entities"; IAS 27 "Separate Financial Statements", which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 "Investments in Associates and Joint Ventures", which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013.

(Expressed in Canadian dollars - unaudited)

3. Accounting standards issued but not yet effective (cont'd)

New interpretation IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"
This new IFRIC clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013.

The Company has not early adopted these standards and is currently assessing the impact that these standards will have on its condensed interim financial statements.

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 a significant impact on the Company's condensed interim financial statements.

4. Short-term investments

Short-term investments consist of shares of unrelated listed companies.

5. Receivables

Receivables consist of HST recoverable.

6. Equipment

	Computer equipment	Computer software	Field equipment	Office equipment	Total
Cost:					
At June 30, 2012	$ 18,236	$ 2,327	$ 41,972	$ 13,964	$ 76,499
At September 30, 2012	18,236	2,327	41,972	13,964	76,499
Depreciation:					
At June 30, 2012	17,495	2,315	30,806	11,599	62,215
Charge for the period	56	2	558	118	734
At June 30, 2012	17,551	2,317	31,364	11,717	62,949
Net book value:					
At June 30, 2012	741	12	11,166	2,365	14,284
At September 30, 2012	$ 685	$ 10	$ 10,608	$ 2,247	$ 13,550

(Expressed in Canadian dollars - unaudited)

7. Investment in Golden Harp

At September 30, 2012 and June 30, 2012, the Company owned 10,000,000 shares of Golden Harp representing a 40.5% interest in Golden Harp. The Company, through its shareholding in Golden Harp, exercises significant influence over that company, and as a result, the investment in Golden Harp is accounted for using the equity method.

Details of the investment in Golden Harp are as follows:

	September 30, 2012	June 30, 2012
Opening balance	$ 400,000	$ 1,300,000
Proportionate share of net loss	(21,019)	(89,797)
Proportionate share of unrealized (loss)gain on available for sale marketable securities, net of deferred income tax	16,161	(174,354)
Proportionate share of reclassification adjustment for gains included in net loss upon sale of marketable securities	7,680	13,278
Write-down of investment	-	(649,127)
Closing balance	$ 402,822	$ 400,000

Summarized financial information of Golden Harp is as follows:

	September 30, 2012	June 30, 2012
Assets	$ 4,137,735	$ 4,127,617
Liabilities	$ 22,567	$ 19,416
Revenues	$ -	$ -
Net loss for the three month period/year	$ 51,883	$ 221,654

As at September 30, 2012, the Company’s investment in Golden Harp had a quoted market value of $400,000 ($400,000 at June 30, 2012). The Company’s management believes the increase in quoted market value is reasonable.

(Expressed in Canadian dollars - unaudited)

8. Exploration and evaluation assets

	Balance September 30, 2012	Expenditures	Balance June 30, 2012
Nor Property, Yukon			
Property acquisition costs	$ 422,080	$ -	$ 422,080
Exploration and evaluation costs			
Accommodation and meals	342,890	-	342,890
Assay and soil sampling	68,787	-	68,787
Diamond drilling	850,848	-	850,848
Drafting	15,234	-	15,234
Fuel	379,258	-	379,258
Geologist	526,111	-	526,111
Geophysics	281,283	-	281,283
Helicopter	1,457,496	-	1,457,496
Housing	28,900	-	28,900
Licenses	33,299	-	33,299
Line cutting	109,794	-	109,794
Supervision	94,305	-	94,305
Supplies and miscellaneous	147,813	-	147,813
Support wages	337,260	-	337,260
Surveys	86,568	-	86,568
Travel and transport	97,782	-	97,782
Mineral exploration tax credits	(595,129)	-	(595,129)
Impairment	(3,566,420)	-	(3,566,420)
	696,079	-	696,079
Total Nor Property, Yukon	1,118,159	-	1,118,159
Bear River, B.C.			
Property acquisition costs	10,389	-	10,389
Exploration and evaluation costs			
Assays	326	-	326
License and recording fees	15,126	-	15,126
Supervision	13,750	-	13,750
Supplies and miscellaneous	224	-	224
	29,426	-	29,426
Total Bear River, B.C.	39,815	-	39,815
Carswell, Saskatchewan			
Property acquisition costs	-	-	-
Exploration and evaluation costs			
Supervision	10,750	-	10,750
Supplies and miscellaneous	30	-	30
	10,780	-	10,780
Total Carswell, Saskatchewan	10,780	-	10,780
Total	$ 1,168,754	$ -	$ 1,168,754

(Expressed in Canadian dollars - unaudited)

8. Exploration and evaluation assets (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

(a) Nor Property, Yukon Territory
The Nor Property consists of mineral claims in the Dawson Mining District, Yukon Territory.

Certain claims are subject to a 2% Net Smelter Royalty ("NSR"). The Company has the right to purchase 50% of the NSR for a purchase price of $2,000,000 and the right of first refusal on the remaining 50%.

During fiscal 2011, the Company wrote down the carrying value of the Nor Property by $3,566,420.

(b) Bear River Property, British Columbia
The Bear River Property consists of mineral claims in the Skeena Mining Division, British Columbia. One of these claims is subject to a 3.5% NSR.

(c) Carswell Property, Saskatchewan
During October 2004, the Company staked a mineral claim in the Athabasca Basin, Saskatchewan.

Pursuant to an Option Agreement dated March 2, 2005, the Company granted an option to a third party to earn a 50% interest in the Carswell Property. To earn this interest the optionee paid $25,000 cash, issued 200,000 of its shares and incurred $100,000 in exploration expenditures. During fiscal 2009 the third party company met the terms of the option agreement and has a 50% interest in the property.

Pursuant to a Joint Venture Agreement dated July 24, 2008, the Company granted the third party a further 30% interest in the claim, resulting in the third party having a 80% undivided interest in the property, subject to the delivery by the third party of a bankable feasibility study. The Company will retain a carried interest until the feasibility study is delivered, at which time the Company will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross overriding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals.

The third party will return all the Company's interest in any of the claims upon a decision by the third party to terminate work thereon.

9. Trade payables and accrued liabilities

	September 30, 2012	June 30, 2012
Trade payables	$ 3,214	$ 10,900
Amounts due to related parties (Note 15)	-	-
Accrued liabilities	18,875	14,750
	$ 22,089	$ 25,650

10. Restoration and environmental obligations

The Company does not provide for any possible restoration and environmental obligations as management believes that no liability exists. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments regarding restoration and environmental obligations.

11. Share capital

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At September 30, 2012 there were 10,969,299 issued and fully paid common shares (June 30, 2012 – 10,969,299).

Share Issuances
During the three month period ended September 30, 2012 and the year ended June 30, 2012 the Company did not issue any shares.

Basic and diluted loss per share
The calculation of basic and diluted loss per share for the three month period ended September 30, 2012 was based on the loss attributable to common shareholders of $49,077 (2011 - $39,648) and the weighted average number of common shares outstanding of 10,969,299 (2011 – 10,969,299).

Diluted loss per share did not include the effect of 670,000 stock options and 6,486,667 warrants as the effect would be anti-dilutive.

Stock options
The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company’s issued and outstanding common shares. The maximum discount allowed varies with share price, with a maximum of 25% and a minimum price of $0.10. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position. Pursuant to the stock option plan, options granted in respect of investor relations activities are subject to vesting in stages over one year from the grant date with a maximum of one-quarter of the options vesting in any three month period. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

(Expressed in Canadian dollars - unaudited)

11. Share capital (cont'd)

Stock options (cont'd)

The changes in options during the three month period ended September 30, 2012 and the year ended June 30, 2012 is as follows:

	September 30, 2012		June 30, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	670,000	$ 0.24	670,000	$ 0.24
Options outstanding, end of period	670,000	$ 0.24	670,000	$ 0.24
Options exercisable, end of period	670,000	$ 0.24	670,000	$ 0.24

Details of options outstanding as at September 30, 2012 are as follows:

Number of options outstanding	Weighted average exercise price
270,000	$0.22
400,000	$0.25
670,000	$0.24

The weighted average grant date fair value of options granted during the three month period ended September 30, 2012 was $Nil (2012 - $Nil). The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	Three month period ended September 30, 2012	Year ended June 30, 2012
Expected life of options	-	-
Annualized volatility	-	-
Risk-free interest rate	-	-
Dividend rate	-	-

Share purchase warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	September 30, 2012		June 30, 2012	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	6,486,667	$ 0.27	6,486,667	$ 0.27
Warrants granted	-	-	-	-
Warrants expired	-	-	-	-
Warrants outstanding, end of period	6,486,667	$ 0.27	6,486,667	$ 0.27

(Expressed in Canadian dollars - unaudited)

11. Share capital (cont'd)

Share purchase warrants (cont'd)

Details of warrants outstanding as at September 30, 2012 are as follows:

Number of warrants outstanding	Weighted average exercise price
220,000	$ 1.50
266,667	$ 1.50
3,000,000	$ 0.17
3,000,000	$ 0.16
6,486,667	$0.27

12. Reserves

Stock option reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

Investment revaluation reserve

The investment revaluation reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses.

13. Related party transactions

The Company incurred the following transactions with companies that are controlled by directors of the Company.

	Three month period ended September 30, 2012	Three month period ended September 30, 2011
Rent	$ 8,406	$ 6,905
Supervision	-	3,000
	$ 8,406	$ 9,905

Key management personnel compensation

	Three month period ended September 30, 2012	Three month period ended September 30, 2011
Consulting fees	$ 625	$ 750
Included in loss from equity investment are consulting fee payments made to director's – proportional share	5,064	8,102
Included in loss from equity investment are management fee payments made to an officer – proportional share	253	263
Stock-based compensation	-	-
	$ 5,942	$ 9,115

14. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at September 30, 2012:

	Within one year	Between one and five years	More than five years
Trade payables	$ 3,214	$ -	$ -

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not materially exposed to currency risk as it incurs expenditures that are primarily denominated in Canadian dollars.

Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share capital and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian dollars - unaudited)

14. Financial risk and capital management (cont'd)

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2012	June 30, 2012
Fair value through profit and loss:		
Cash	$ 140,486	$ 165,826
Loans and receivables:		
Other receivables	4,719	3,513
Available-for-sale financial instruments:		
Short-term investments	1,138	1,177
	$ 146,343	$ 170,516

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2012	June 30, 2012
Non-derivative financial liabilities:		
Trade payables	$ 3,214	$ 10,900

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of 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 following is an analysis of the Company's financial assets measured at fair value as at September 30, 2012 and June 30, 2012:

	As at September 30, 2012		
	Level 1	Level 2	Level 3
Cash	$ 140,486	$ -	$ -
Short-term investments	1,138	-	-
	$ 141,624	$ -	$ -

	As at June 30, 2012		
	Level 1	Level 2	Level 3
Cash	$ 165,826	$ -	$ -
Short-term investments	1,177	-	-
	$ 167,003	$ -	$ -

15. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

At September 30, 2012 and June 30, 2012 all of the Company's assets are located in Canada.

16. Commitments

The Company is committed to aggregate premise lease payments of $80,979 as follows:

- $15,463 for fiscal 2013;
- $20,689 for fiscal 2014;
- $21,480 for fiscal 2015;
- $21,551 for fiscal 2016 and
- $1,796 for fiscal 2017.

In addition the Company is also committed to pay its share of tax cost and operation costs.