McLaren Resources

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the three and six month periods ended March 31, 2013 and 2012

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Notice of no auditor review of condensed interim financial statements:

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed 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 condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

(An Exploration Stage Enterprise)

Unaudited Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

As at,	Note	**March 31, 2013** **$**	September 30, 2012 $
Assets			
Current assets			
Cash	3	**395,754**	530,072
Marketable securities	4	**38,500**	53,000
HST recoverable	5	**13,979**	34,386
Prepaid expenses	6	**10,698**	568
		458,931	618,026
Liabilities and Shareholders' Deficiency			
Current liabilities			
Accounts payable and accrued liabilities	9	**59,249**	139,416
Flow-through share premium liability	11(ii)	**9,695**	-
		68,944	139,416
Shareholders' deficiency			
Capital stock	11(b)	**5,785,973**	5,610,871
Reserve for warrants	11(c)	**30,698**	28,050
Contributed surplus	12	**655,548**	655,548
Accumulated deficit		**(6,082,232)**	(5,815,859)
		389,987	478,610
		458,931	618,026

Nature of Operations and Going Concern (Note 1)
Commitments and Contractual Obligations (Note 8)

On behalf of the Board of Directors on May 28, 2013;

"*Ivan Buzbuzian" (signed)*
Director

"*Michael Meredith" (signed)*
Director

The accompanying notes form an integral part of these financial statements

(An Exploration Stage Enterprise)
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three months		Six months	
		March 31, 2013	March 30, 2012	**March 31, 2013**	March 30, 2012
For the periods ended,	Note	**$**	$	**$**	$
Management fees	10	**52,500**	52,500	**105,000**	102,000
Office, general and administrative		**27,207**	21,506	**51,566**	52,525
Consulting fees	10	**29,241**	42,712	**43,241**	115,712
Investors' relations		**9,889**	41,656	**19,139**	74,664
Directors' fees	10	**7,661**	7,500	**15,264**	15,000
Professional fees		**5,286**	27,196	**11,853**	37,556
Exploration and evaluation expenditures	7	**6,115**	-	**6,115**	-
Stock-based compensation	11(d)	**-**	-	**-**	3,283
Total expenses		**137,899**	193,070	**252,178**	400,740
Less: Flow-through share premium recovery	7	**(305)**	(4,096)	**(305)**	(46,089)
Net Loss from operations		**137,594**	188,974	**251,873**	354,651
Other income (expense)					
Interest and other income		**-**	100,000	**-**	100,000
Future income tax		**-**	(5,785)	**-**	(5,785)
(Loss) Gain in value of marketable securities held for trading		**(8,000)**	12,107	**(14,500)**	28,014
		8,000	106,322	**14,500**	(122,229)
Net loss and comprehensive loss for the periods		**(145,594)**	(82,652)	**(266,373)**	(232,422)
Loss per share					
Weighted average number of shares- basic and diluted		**27,094,281**	25,094,281	**26,109,855**	23,468,470
Net loss per share-basic and fully diluted		**(0.01)**	(0.00)	**(0.01)**	(0.01)

The accompanying notes form an integral part of these financial statements

McLaren RESOURCES

(An Exploration Stage Enterprise)

Unaudited Condensed Interim Statement of Changes in Equity

(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Number of Shares	Amount $	Warrants $	Share based Payments $	Accumulated deficit $	Total $
Balance at September 30, 2011	20,994,281	4,827,921	26,925	622,292	(4,845,670)	631,468
Private placements, net of issue costs	4,000,000	850,000	-	-	-	850,000
Shares issued for property	100,000	11,000	-	-	-	11,000
Warrants issued	-	(28,050)	28,050	-	-	-
Warrants expired	-	-	(26,925)	26,925	-	-
Flow-through share premium	-	(50,000)	-	-	-	(50,000)
Share based payments	-	-	-	6,331	-	6,331
Net loss for the period	-	-	-	-	(970,189)	(970,189)
Balance at September 30, 2012	25,094,281	5,610,871	28,050	655,548	(5,815,859)	478,610
Private placements, net of issue costs	2,000,000	187,750	-	-	-	187,750
Flow-through share premium	-	(10,000)	-	-	-	(10,000)
Warrants issued	-	(28,300)	28,300	-	-	-
Warrants revalued	-	13,050	(13,050)	-	-	-
Net loss for the period	-	-	-	-	(266,373)	(266,373)
Balance at March 31, 2013	27,094,281	5,773,371	43,300	655,548	(6,082,232)	389,987
Balance at September 30, 2011	20,994,281	4,715,321	26,925	622,292	(4,565,397)	799,141
Private placements, net of issue costs	4,000,000	850,000	-	-	-	850,000
Shares issued for property	100,000	11,000	-	-	-	11,000
Flow-through share premium	-	(50,000)	-	-	-	(50,000)
Warrants issued on private placements	-	(74,344)	74,344	-	-	-
Warrants revalued	-	8,569	(8,569)	-	-	-
Share based payments	-	-	-	3,283	-	3,283
Net loss for the period	-	-	-	-	(232,423)	(232,423)
Balance at March 31, 2012	25,094,281	5,460,546	92,700	625,575	(4,797,820)	1,381,001

The accompanying notes form an integral part of these financial statements

McLaren Resources

(An Exploration Stage Enterprise)

Unaudited Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

For the periods ended March 31,	**2013** **$**	2012 $
Operating		
Net loss for the period	**(266,373)**	(232,422)
Items not affecting cash		
Amortization	**-**	78
Common shares issued for advisory services	**-**	11,000
Share-based compensation	**-**	3,283
Flow through share premium recovery	**(305)**	(46,089)
Loss on value of marketable securities	**14,500**	28,598
	(252,178)	(235,552)
Net changes in non-cash working capital:		
Decrease in HST recoverable	**20,406**	54,543
Decrease (Increase) in prepaid expenses	**(10,130)**	590
Increase (Decrease) in accounts payable and accrued liabilities	**(80,166)**	(11,017)
Increase in Future tax liability	**-**	5,785
Net changes in non-cash working capital balances:	**(69,890)**	49,901
Cash used in operating activities	**(322,068)**	(185,651)
Financing		
Proceeds from issuance of shares	**187,750**	850,000
	187,750	850,000
Net increase in cash position	**(134,318)**	395,837
Cash, beginning of period	**530,072**	428,898
Cash, end of period	**395,754**	824,735

Supplemental Information

Interest paid	-	-
Income tax paid	-	-

The accompanying notes form an integral part of these financial statements

1. NATURE OF OPERATIONS

McLaren Resources Inc. (CNSX:MCL) ("McLaren" or the "Company") was incorporated on July 13, 1999 under The Business Corporations Act (Ontario). The Company's head office is located at 65 Queen St. W., Suite 520 Toronto, ON, M5H 2M5. The Company is currently pursuing gold exploration in Ontario and will continue to source and evaluate gold exploration ventures within Canada.(see Note 7)

On November 7, 2011, the Company signed a binding Letter of Intent ("LOI") with TimGinn Exploration Limited ("TimGinn") to earn a 60% interest in a past-producing gold property (the "TimGinn Property") located in the heart of the Timmins Gold Camp and adjacent to Goldcorp's Hollinger and McIntyre mines (Note 7).

On September 26, 2012, the Company announced it had entered into an option agreement with Red Mile Minerals Corp. ("Red Mile") (RDM-TSX-V) whereby Red Mile has the option to earn 50% interest in the Blue Quartz Property Extension ("BQ-Extension") which is owned 100% by the Company. Upon completion of the option agreement McLaren and Red Mile will each own 50% of the entire Blue Quartz and BQ-Extension land package.

For the six month period ending March 31, 2013, the Company had a net loss of $266,373 (2012 - $232,422), a working capital surplus of $389,987 (2012 - $478,610). The Company has not yet achieved profitable operations, it has accumulated losses of $6,082,232 (2012 - $5,815,859) and expects to incur further losses in the development of its business. Management intends to obtain further financing through the issuance of new equity and entering into joint venture arrangements. While management has been successful in the past, the ultimate outcome of these matters cannot presently be determined because they are contingent on future events. However, the Company's management believes that it will be successful in meeting its business objectives, and that the going concern assumption remains appropriate.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

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

These unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND GOING CONCERN

2.1 Statement of compliance

These unaudited financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The policies applied in these unaudited financial statements are based on IFRS issued and outstanding as of May 28, 2013, the date the Board of Directors approved these unaudited financial statements.

2.2 New Standards not yet adopted and interpretations issued but not yet effective.

There are no relevant changes in accounting standards applicable to future periods other than as discussed in the most recent annual consolidated statements as at and for the year ended September 30, 2012.

3. CASH

The cash balance at March 31, 2013 consists of cash on deposit with a major Canadian bank in general interest-bearing accounts totaling $395,754 (September 2012 - $530,072).

4. MARKETABLE SECURITIES

The Company's marketable securities consist of the following:

	March 31, 2013 $	September 30, 2012 $
Held-for-trading:		
Shoal Point Energy (200,000 common shares @ $0.08 per share)	16,000	18,000
Northern Gold Mining Inc. ('Northern Gold') 125,000 common shares @ $0.18)	22,500	35,000
	38,500	53,000

(Expressed in Canadian Dollars)

On February 7, 2013, Northern Gold purchased Victory Gold Mines Inc. ("Victory Gold") in an all stock transaction with every two (2) Victory Gold common shares being exchanged for one (1) common share of Northern Gold.

The shares have been classified as held-for-trading.

5. HST RECOVERABLE

The Company's receivables arise from harmonized services tax ("HST") due from the Canadian government. These are broken down as follows:

	March 31, 2013	September 30, 2012
	$	$
HST recoverable	13,979	34,386
Total accounts receivable	13,979	34,386

At March 31, 2013, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 14.

The Company holds no collateral for any receivable amounts outstanding as at March 31, 2013.

6. PREPAID EXPENSES

Prepaid expenses represent advance payments made to vendors for expenses applicable to a future period. The Company's prepaid expenses represent the unexpired portion of insurance.

7. MINERAL PROPERTIES

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

	Six month period ended		**Cumulative to date***
	March 31, 2013	September 30, 2012	
Blue Quartz Property	-	286,010	286,010
TimGinn Property	6,115	491,216	497,331
Exploration and evaluation expenditures	6,115	777,226	783,341

* Only properties currently under exploration are included in this figure.

(Expressed in Canadian Dollars)

Northern Ontario, Canada

Blue Quartz

On December 6, 2010, McLaren and Red Mile entered into an option agreement whereby McLaren could earn a 50% interest in the Blue Quartz gold property (the "Blue Quartz Property"), with McLaren having the right of first refusal on the remaining 50% interest. The Blue Quartz Property consists of 25 patented mining claims and is located in Beatty Township, Northern Ontario. To earn a 50% interest in the Blue Quartz Property, the Company paid $10,000 cash and was required to spend $200,000 on exploration and development on or before September 1, 2011.

Commitments	On Signing	September 1 2011	Second Anniversary	Total Required	Paid / Issued	Balance Remaining
Cash Payments	10,000	-	-	10,000	10,000	-
Work commitments	-	200,000	-	200,000	200,000	-
Total payments	10,000	200,000	-	210,000	210,000	-

During the calendar year ended December 31, 2012, the Company completed the $200,000 in exploration and development expenditures and exercised its option to acquire 50% of the Blue Quartz Property. A 1.0% Net Smelter Royalty ("NSR") is retained by the predecessor companies (Thundermin Resources Inc. and Wesdome Mines Ltd.). Upon completion of the earn in and exercising its option to acquire the 50% interest in the Blue Quartz Property, the Company has the right to purchase 50% (0.5%) of the NSR from the predecessor companies for $250,000.

Blue Quartz Extension

On July 26, 2011, the Company acquired a 100% interest in the "BQ-Extension Property" from 2285944 Ontario Limited consisting of 8 unpatented claims totaling 240 hectares for $68,000.

On September 18, 2012, the Company entered into an option agreement with Red Mile whereby Red Mile has the option to earn 50% interest in the BQ-Extension Property. Upon completion of the earn-in under the option agreement, McLaren and Red Mile will each own 50% of the Blue Quartz Property and the BQ-Extension Property.

TimGinn

On November 7, 2011, the Company announced that it had signed a LOI to earn a 60% interest in the TimGinn Property.

McLaren can earn a 50% interest in the TimGinn Property by incurring $2 million of exploration expenditures by April 30, 2015 and an additional 10% interest by incurring an additional $2 million in exploration expenditures by April 30, 2016.

(Expressed in Canadian Dollars)

Commitments	Due Diligence	April 30 2013	April 30 2014	April 30 2015	Total Required	Paid / Issued	Balance Remaining
Cash Payments	-	-	-	-	-	-	-
Work commitments	200,000	500,000	-	1,300,000	2,000,000	497,331	1,502,669
Total commitments	200,000	500,000	-	1,300,000	2,000,000	497,331	1,502,669

Total expenditures required by April 30, 2013 are $700,000. The Company has spent $497,331, to date, and plans to spend the balance required of $202,669 by April 30, 2013.

On April 30, 2013 , the original option agreement dated March 21, 2012 was amended to move the 2nd year's exploration obligation of $600,000 (due April 30, 2014) to the 3rd year, April 30, 2015. This amendment reduces the April 30, 2014 obligation to $Nil and increases the April 30, 2015 obligation to $1,300,000.

8. COMMITMENTS AND CONTINGENCIES:

The Company's operations were partly financed by the issuance of flow-through shares. However, there is no assurance that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. All flow-through funds raised to date, will be spent on qualified Canadian exploration expenditures in accordance with the Income Tax Act (Canada).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the period. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms. The Company has the following contractual maturities:

	March 31, 2013 $	September 30, 2012 $
3 - 6 months	59,249	139,418
6 - 9 months	-	-
9 - 12 months	-	-
Greater than 12 months	-	-
	59,249	139,418

10. RELATED PARTY TRANSACTIONS

(a) During the three month period ended March 31, 2013, officers and directors of the Company and corporations related to them charged consulting and management fees $52,500 (2012 - $52,500) and consulting fees of $29,241 (2012 - $42,712). Included in accounts payable is $46,500 (2012 - $7,066) relating to unpaid management and consulting fees.

(Expressed in Canadian Dollars)

(b) During the three month period ended March 31, 2013, directors of the Company and corporations related to them charged director fees of $7,661 (2012 - $7,500). Included in accounts payable is $Nil (2012-$Nil) relating to unpaid director fees.

(c) During the three month period ended March 31, 2013, the Company was charged $1,285 (2012 - $17,257) by a law firm of which an officer of the Company is a partner. Accounts payable owing to this law firm at March 31, 2013 is $Nil (2012 - $Nil).

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

11. CAPITAL STOCK

(a) Authorized

An unlimited number of one class of voting shares, designated common shares, with no par value.

(b) Issued and outstanding

		March 31, 2013		September 30, 2012
	Number of shares	Amount $	Number of shares	Amount $
Beginning balance	25,094,281	5,610,871	20,994,281	4,827,921
Private placement flow-through (i)	2,000,000	187,750	1,000,000	250,000
Issuance of warrants (i)	-	(28,300)	-	(28,050)
Warrant revaluation	-	25,652	-	-
Private placement	-	-	3,000,000	600,000
Stock issued for services	-	-	100,000	11,000
Flow-through share premium (ii)	-	(10,000)	-	(50,000)
Ending balance	27,094,281	5,785,973	25,094,281	5,610,871

During the period the following transactions occurred:

(i) During the 1st quarter of 2013, the Company issued 2,000,000 Flow-through common share units at $0.10 per share unit realizing gross proceeds of $200,000 and net proceeds of $187,750. Each unit consists of one common share and a half-warrant, with each full warrant being exercisable at $0.20 per share for 18 months from the date of closing.

(ii) During the 1st quarter of 2013, a flow-through premium of $10,000 (2012 - $50,000) was calculated based on the residual value of flow-through shares. The residual value is the excess of the issuance price of the flow-through shares over the market value of the shares on the date of issuance.

(Expressed in Canadian Dollars)

c) Warrants:

In December of 2011, the Company issued 3,000,000 common share units consisting of one common share and a half-warrant, with each full warrant being exercisable at $0.30 per share for 18 months from the date of closing.

In December of 2012, the Company issued 2,000,000 common share units consisting of one common share and a half-warrant, with each full warrant being exercisable at $0.20 per share for 18 months from the date of closing. These warrants remain outstanding as at March 31, 2013

Date issued	Number of Warrants	Fair Value of Warrants $	Exercise Price $	Expiry Date
December 05, 2011(i)	1,500,000	$ 2,850	$0.30	June 04, 2013
December 30, 2012 (ii)	1,175,000	$ 27,848	$ 0.20	June 29, 2014
	2,675,000	$ 30,698		

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair value of warrants were calculated on March 31, 2013, based on the following assumptions:

Risk free interest rate	1.14 %
Expected volatility	100 %
Dividend yield	0.00 %
Expected life (in years) (i)	0.20
Stock price (i)	$ 0.15
Exercise price (i)	$ 0.30
Expected life (in years) (ii)	1.25
Stock price (ii)	$ 0.10
Exercise price (ii)	$ 0.20

d) Stock option plan:

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, grant to directors, officers, employees and consultants of the Company options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options will be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

(Expressed in Canadian Dollars)

As at March 31, 2013, common share options held by directors, officers, and consultants are as follows:

Number of options outstanding	Exercise Price $	Expiry Date	Number of options exercisable
62,500	0.20	August 30, 2013	62,500
1,025,000	0.20	December 30, 2014	1,025,000
375,000	0.20	December 10, 2015	375,000
350,000	0.35	April 28, 2016	350,000
1,812,500	0.23		1,812,500

During the quarter ended March 31, 2013, there were no stock option transactions.

	March 31, 2013	September 30, 2012
Weighted average exercise price	$ 0.23	$ 0.23
Balance, beginning of the year	1,812,500	2,075,000
Options cancelled during the year	-	(62,500)
Options cancelled during the year	-	(200,000)
Balance, end of the year	1,812,500	1,812,500

12. CONTRIBUTED SURPLUS

The following table summarizes the changes of Contributed Surplus during the period:

	March 31, 2013 $	September 30, 2012 $
Balance - beginning of the period	655,548	622,292
Stock-based compensation (Note 11(d))	-	6,331
Warrants expired	-	26,925
Balance - end of the period	655,548	655,548

13. CAPITAL MANAGEMENT

The Company's objective in managing capital is to maintain the entity's ability to continue as going concern, support the Company's normal operating requirements and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items in the shareholders' equity. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debts or equity or similar instruments to obtain additional financing.

The Company's over-all strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any externally imposed capital requirements as at March 31, 2013.

14. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk though its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and to up-to-date market information.

The Company's risk exposure and risk management policies and procedures have not changed.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative, financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

Credit risk

The maximum exposure to credit risk is equal to the carrying amount of financial instruments classified as loans and receivables.

(Expressed in Canadian Dollars)

Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to finance working capital, operating expenses, exploration expenditures, capital expenditures, dividends and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash and cash equivalents. The current year's budget is planned to be funded and cash and cash equivalents provide additional flexibility for short-term timing fluctuations.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

Fair value

The carrying value and fair value of these unaudited financial instruments at March 31, 2013 is disclosed below by financial instrument category, as well as any related interest expense for the period ended March 31, 2013:

	March 31, 2013			September 30, 2012		
Financial Instrument	Carrying Value $	Fair Value $	Interest Expense $	Carrying Value $	Fair Value $	Interest Expense $
Held-for-trading						
Cash	395,754	395,754	-	530,072	530,072	-
Marketable Securities	38,500	38,500	-	53,000	53,000	-
Loan and receivable						
HST Recoverable	13,979	13,979	-	34,386	34,386	-
Accounts receivable	-	-	-	-	-	-
Financial liabilities						
Accounts payable and accrued liabilities	59,250	59,250	-	139,416	139,416	-

The fair value of the Company's financial assets and liabilities approximates their respective carrying values as at the balance sheet dates because of the short term maturity of these instruments. The fair value of the financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

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

The fair value of cash and cash equivalent is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above. The Company does not have any Level 2 or Level 3 fair value measurements and thus no continuity schedule has been presented. In addition, there have been no significant transfers between levels.

15. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The effect of stock options and warrants was anti-dilutive and hence, the diluted loss per share equals the basic loss per share.

16. SUBSEQUENT EVENTS

On April 30, 2013 , the original option agreement dated March 21, 2012 covering the TimGinn Property was amended to move the 2nd year's exploration obligation of $600,000 (due April 30, 2014) to the 3rd year, April 30, 2015. This amendment reduces the April 30, 2014 obligation to $Nil and increases the April 30, 2015 obligation to $1,300,000.

Subsequent to quarter end the Company commenced a 1,500 metre exploration program at the TimGinn Property. The drill program is focused on drilling two area targets adjacent to the Hollinger and McIntyre mines.

17. RECLASSIFICATION

The comparative financial statements have been reclassified to conform to the presentation of the current period financial statements.