MAXTECH VENTURES INC.

Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2012

(Unaudited)

(Expressed in Canadian Dollars)

Notice to Reader

In accordance with National Instrument 51-102 released by Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the accompanying condensed interim consolidated financial statements for the three months ended October 31, 2012.

Maxtech Ventures Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited -Expressed in Canadian Dollars)

	Note	October 31, 2012	July 31, 2012
		$	$
Assets			
Current Assets			
Cash and cash equivalents		4,163,912	3,594,303
Marketable securities	4	331,170	341,170
Note receivable	9	-	614,268
HST receivables		5,073	15,053
		4,500,155	4,564,794
Equipment	5	128,477	135,002
Exploration and evaluation assets	6	1,036,001	1,014,424
Total Assets		5,664,633	5,714,220
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	7	34,580	36,123
Shareholders' Equity			
Share capital	8	8,130,000	8,130,000
Reserves	8	5,211,218	5,220,129
Deficit		(7,711,165)	(7,672,032)
Total equity		5,630,053	5,678,097
Total Liabilities and Shareholders' Equity		5,664,633	5,714,220

Nature of operations and going concern *1*

See accompanying notes to the condensed interim consolidated financial statements

Approved and authorized for issuance by the Board of Directors on December 30, 2012

"Curt Huber"
Director

"Sonny Janda"
Director

Maxtech Ventures Inc.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

(Unaudited -Expressed in Canadian dollars except the number of shares)

	Note	Three Months Ended October 30 2012	2011
		$	$
Expenses			
Amortization		6,525	7,893
Consulting		25,700	12,950
Office facilities and administration		12,594	16,374
Professional fees		4,500	16,895
Salaries and wages		4,689	3,483
Transfer agent, filing and stock exchange fees		4,454	1,006
Loss before the following		(58,462)	(58,601)
Interest income		11,375	12,135
Other income (loss)		7,954	(3,834)
Gain from recovery of impairment of long term investment		-	297,535
Net income (loss) for the period		(39,133)	247,235
Other comprehensive income (loss):			
Translation (loss) gain	8	1,089	-
Unrealized (loss) gain on marketable securities	4	(10,000)	14,954
Comprehensive income (loss)		(48,044)	262,189
Basic and diluted income (loss) per share		(0.00)	0.01
Weighted average number of common shares outstanding		33,649,002	33,649,002

See accompanying notes to the condensed interim consolidated financial statements

Maxtech Ventures Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars except for number of shares)

	Note	Share capital		Reserves				
	Note	Number	Amount	Foreign translation	Share-based payment	Investment revaluation	Deficit	Total equity
			$	$	$	$	$	$
Balance, August 1, 2011		33,649,002	8,130,000	(8,721)	5,349,127	115,625	(7,477,661)	6,108,370
Translation loss		–	–	–	–	–	(342,684)	(342,684)
Unrealized gain on marketable securities		–	–	–	–	14,954	–	14,954
Net earnings for the period		–	–	–	–	–	247,235	247,235
Balance, October 30, 2011		33,649,002	8,130,000	(8,721)	5,349,127	130,579	(7,573,110)	6,027,875
Balance, August 1, 2012		33,649,002	8,130,000	(57,008)	5,349,127	(71,990)	(7,672,032)	5,678,097
Translation (loss) gain	8	–	–	1,089	–	–	–	1,089
Unrealized loss from marketable securities	8	–	–	–	–	(10,000)	–	(10,000)
Net loss for the period		–	–	–	–	–	(39,133)	(39,133)
Balance, October 30, 2012		33,649,002	8,130,000	(55,919)	5,349,127	(81,990)	(7,711,165)	5,630,053

See accompanying notes to the condensed interim consolidated financial statements

MAXTECH VENTURES INC.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - expressed in Canadian dollars)

		Three Months Ended October 30,	
Cash provided by (used in)	Note	2012	2011
		$	$
Operating activities			
Income(loss) for the year		(39,133)	247,235
Items not involving cash			
Amortization		6,525	7,893
Gain from recovery of impaired investment		–	(297,535)
Changes in non-cash operating working capital			
Receivables		9,980	(3,092)
Accounts payable and accrued liabilities		(454)	20,369
Cash used in operating activities		(23,082)	(25,130)
Investing activities			
Increase of exploration and evaluation assets	6	(21,577)	(35,440)
Promissory note (issuance) redemption	9	614,268	(600,000)
Cash (used in) provided by investing activities		592,691	(635,440)
Increase (decrease) in cash and cash equivalents		569,609	(660,570)
Cash and cash equivalents, beginning of period		3,594,303	4,523,373
Cash and cash equivalents, end of period		4,163,912	3,862,803
Represented by:			
Cash		4,163,912	1,825,128
Cash equivalents		–	2,037,675
		4,163,912	3,862,803
Supplementary information			
Cash paid during the period for income taxes		–	–
Cash received from interest income		11,135	–

See accompanying notes to the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Maxtech Ventures Inc. (the “Company”) was incorporated on April 19, 2000 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “MVT”. The head office, principal address and records office of the Company are located at 8338 - 120th Street, Surrey, BC V3W 3N4. The Company’s registered address is 8338 - 120th Street, Surrey, BC V3W 3N4.

These condensed interim consolidated financial statements for the three months ended October 31, 2012 (the “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 for the foreseeable future. As at October 31, 2012, the Company had not advanced its exploration and evaluation assets 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 mineral property 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 uncertainties 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 and cash equivalents on hand and funds generated from private placements of common shares, if needed.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Financial Statements, including comparatives within, have been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting” (“IAS 34”), using accounting policies consistent with the International Financial Report Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee. Any subsequent changes to IFRS, that are given effect to in the Company’s annual consolidated financial statements for the year ending July 31, 2013 could result in revisions to these Financial Statements.

These Financial Statements do 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 these Financial Statements be read in conjunction with the most recent audited annual consolidated financial statements of the Company for the year ended July 31, 2012.

These Financial Statements were approved and authorized by the Board of Directors on December 30, 2012.

b) Basis of consolidation and presentation

These Financial Statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments measured at their fair value. The consolidated financial statements are presented are in Canadian dollars, unless otherwise noted

These Financial Statements include the accounts of the Company and its wholly owned subsidiaries Maxtech Resources Private Limited (“MRPL”) (incorporated in India) and its 53% interest in the Julia property which is held through its subsidiary Emerging Minerals (BC) Corp.(“Emerging Minerals”) (incorporated in Canada). All material intercompany balances and transactions between the Company and the subsidiaries have been eliminated.

c) Significant accounting policies

Significant estimates and assumptions

Significant estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, decommissioning, restoration and similar liabilities and contingent liabilities.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The determination of whether an acquisition constitutes a business combination or an acquisition of assets;
- the classification of expenditures as exploration and evaluation expenditures or operating expenses;
- the classification of financial instruments; and
- the determination of the functional currency of the parent company and its subsidiaries.

Accounting standards issued but not yet effective

The Company's significant accounting policies have not changed since it most recent year ended July 31, 2012. Accounting standards issued but not yet effective are as follows. The Company is reviewing these future changes and the impacts have not yet determined.

IFRS 9, Financial Instruments, introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

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

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

IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

IAS 1, Presentation of Financial Statements, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted. IAS 19, Employee Benefits, has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. The amended standard requires immediate recognition of actuarial gains and losses in other comprehensive income as they arise, without subsequent recycling to net income. This is consistent with the Company's current accounting policy. Past service cost (which will now include curtailment gains and losses) will no longer be recognized over a service period but instead will be recognized immediately in the period of a plan amendment. Pension benefit cost will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service cost, settlements and curtailments); and (ii) finance expense or income. The finance expense or income component will be calculated based on the net defined benefit asset or liability. A number of other amendments have been made to recognition, measurement and classification including redefining short term and other long-term benefits, guidance on the treatment taxes related to benefit plans, guidance on risk/cost sharing features, and expanded disclosures.

IAS 32, Financial Instruments: Presentation. These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

Financial statement presentation

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 "*Presentation of Financial Statements"* to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012.

(Unaudited -expressed in Canadian dollars)

4. MARKETABLE SECURITIES

The Company designates its marketable securities as available-for-sale. As at October 31, and July 31, 2012, the Company's marketable securities consisted of common shares publicly traded on Canadian stock exchanges. During the three months ended October 31, 2012 ("2013 Q1"), the Company recorded $10,000 unrealized loss (2012 Q1 – unrealized gain of $14,954) to its investment revaluation reserve as a result of revaluating the fair values of these marketable securities on October 31, 2012 (Note 8). Details of the Company's marketable securities are as follows:

	October 31, 2012	July 31, 2012
	$	$
Cost	443,080	443,080
Unrealized gain (loss) of the marketable securities on hand	(111,910)	(101,910)
Fair value	331,170	341,170

5. EQUIPMENT

	Field equipment	Office equipment	Vehicle	Total
	$	$	$	$
Cost:				
At July 31, 2011	151,809	18,472	16,530	186,811
Additions	-	-	13,081	13,081
Disposals	-	-	(2,282)	(2,282)
At July 31, 2012	151,809	18,472	27,329	197,610
Additions	-	-	-	-
Disposals	-	-	-	-
At October 31, 2012	151,809	18,472	27,329	197,610
Amortization:				
At July 31, 2011	21,971	3,254	1,653	26,878
Charge for the period	26,295	2,995	4,041	33,331
Eliminated on disposal	-	-	(118)	(118)
At July 31, 2012	48,266	6,249	5,576	60,091
Charge for the period	5,177	611	1,087	6,875
At October 31, 2012	53,443	6,860	6,663	66,966
Foreign exchange effects:				
At July 31, 2012	(617)	(1,693)	(207)	(2,517)
At October 31, 2012	(531)	(1,458)	(178)	(2,167)
Net book value:				
At July 31, 2012	102,926	10,530	21,546	135,002
At October 31, 2012	97,835	10,154	20,488	128,477

(Unaudited -expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Ariane	Guercheville	Julia	Lalitpur	Total
	$	$	$	$	$
As at July 31, 2011	357,168	359,039	358,857	128,455	1,203,519
43-101 report	-	-	6,500	-	6,500
Acquisition and renewal	13,306	-	-	-	13,306
Analytical/assays	19,507	-	-	36,064	55,571
Transfer (Note 4)	-	(359,039)	-	-	(359,039)
Geologist and geophysics	-	-	(12,105)	55,464	43,359
Laboratory testing	-	-	8,685	-	8,685
Management	-	-	-	15,998	15,998
Mapping	7,511	-	-	-	7,511
Supplies	-	-	-	18,444	18,444
Travelling and lodging	-	-	-	570	570
As at July 31, 2012	397,492	-	361,937	254,995	1,014,424
Geologist and geophysics	-	-	-	12,065	12,065
Management	-	-	-	4,847	4,847
Supplies	-	-	-	4,665	4,665
As at July 31, 2012	397,492	-	361,937	276,572	1,036,001

Ariane

The Company's Ariane properties are consisted of prospective gold mineral interests in the Abitbi region of Quebec. All the mineral claims are in good standing as at the issuance date of these Financial Statements.

Lalitpur Reconnaissance Permit

In March 2010, the Company's wholly owned subsidiary, MRPL, was granted a Reconnaissance Permit ("RP") in the Lalitpur District, Uttar Pradesh Province, India to explore for iron ore, gold and platinum group minerals.

The RP expires on March 29, 2013. The Company has applied for a prospecting license, which allows for more advanced exploration on the property. As at October 31, 2012, the prospecting license has not been obtained.

Julia

By an option agreement dated November 30, 2005 and as amended September 7, 2006, the Company acquired a 50% interest, subject to a 2% net smelter royalty, of various mineral claims located in the Atlin Mining Division of British Columbia (the "Julia Property").

On May 31, 2011, the Company entered into an agreement with the Optionor whereby the Company and the Optionor agreed to transfer their interests in the Julia Property to Emerging Minerals. The Company and the Optionor were each issued 16,500,000 shares of Emerging Minerals. On the same date, the Company and the Optionor agreed that the Company contributed $210,000 over and above the originally agreed upon expenditures and an additional 2,100,000 shares of Emerging Minerals were issued to the Company in return for these expenditures. As a result, the Company now holds 53% of the Julia property.

All the mineral claims of the Julia Property are in good standing as at the issuance date of these Financial Statements.

(Unaudited -expressed in Canadian dollars)

7. Accounts payable and accrued liabilities

	October 31, 2012	July 31, 2012
	$	$
Trade payables	18,130	18,123
Accrued liabilities	16,450	18,000
	34,580	36,123

8. SHARE CAPITAL

Authorized: Unlimited number of common shares without par value authorized

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 20% of the outstanding shares. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the TSX-V on the trading day immediately before the date of grant, less the discount permitted under the TSX-V policies, subject to a minimum of $0.10 per common share. Stock options granted under the Plan vest over a period of 18 months from the date of grant and vesting of the options shall occur equally every six months.

The Company has not issued stock options during the three months ended October 31, 2012. As at July 31 and October 31, 2012, the Company did not have any stock options outstanding.

Share base payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Foreign currency translation reserve

The foreign currency translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency. During 2013 Q1, the Company recorded $1,089 translation gain (2012 Q1 – translation loss of $nil) to its foreign currency translation reserve.

Investment revaluation reserve

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

9. RELATED PARTY TRANSACTIONS

On June 16, 2011, the Company advanced $600,000 (the "Amount") to Chimata. The Amount is unsecured and the stated interest rate is 8%. The Amount was discounted to $546,529 at June 16, 2011 using a market interest rate of 15% and accreted up to $636,254 on July 31, 2012. Principal and accrued interest of $674,000 was due on December 31, 2012. During 2013 Q1, the Company received a payment of $614,268 as full repayment of the Amount on August 23, 2012.

During the 2013 Q1, the Company incurred $3,200 (2012 Q1 - $5,450) in consulting fees to its Chief Financial Officer and $15,000 (2011 - $Nil) in consulting fees to the its President.

As at October 31, 2012, the Company's accounts payable and accrued liabilities included $2,600 (July 31, 2012 - $1,575) and $5,000 (July 31, 2012 - $5,000) owing to the Company's Chief Financial Officer and the President respectively. These amounts are due on demand, unsecured, and non-interest bearing.

(Unaudited -expressed in Canadian dollars)

10. SEGMENT DISCLOSURES

The Company considers itself to operate in a single reportable operating segment, being exploration and development of mineral properties. Geographic segment disclosures are as follows:

	Total Assets	Equipment	Exploration and Evaluation Assets	Current Assets
	$	$	$	$
October 31, 2012				
India	313,034	20,470	276,573	15,991
Canada	5,351,599	108,007	759,428	4,484,164
	5,664,633	128,477	1,036,001	4,500,155
July 31, 2012				
India	296,072	21,547	254,996	19,531
Canada	5,418,148	113,456	759,428	4,545,263
	5,714,220	135,002	1,014,424	4,564,794