

# **ST-GEORGES**

Platinum & Base Metals Ltd.

**An exploration stage company**  
**Condensed Interim Financial Statements**  
**For the three months ended March 31, 2013**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

The accompanying interim financial statements of the Company for the period ended March 31, 2013 have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or review of these condensed interim financial statements.

## **Index**

Unaudited Condensed Interim Consolidated Financial Statements	
Statements of Financial Position	2
Statements of Comprehensive Loss	3
Statements of Changes in Equity	4
Statements of Cash Flows	5
Notes to the Condensed Interim Financial Statements	6

**St-Georges Platinum & Base Metals Ltd.**  
**Statements of Financial Position**  
**(Unaudited)**

As at	March 31, 2013	December 31, 2012
<b>Assets</b>	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Cash and cash equivalents	18,818	525
Other receivables (Note 5)	275,231	401,689
Prepaid expenses	24,089	14,167
<b>Total current assets</b>	<b>318,138</b>	<b>416,381</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 6)	7,751,389	7,735,404
Advances (Note 7)	80,000	40,000
<b>Total non-current assets</b>	<b>7,831,389</b>	<b>7,775,404</b>
<b>Total assets</b>	<b>8,149,527</b>	<b>8,191,785</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	1,988,114	1,963,408
Due to a company controlled by a director (Note 8)	50,000	50,000
<b>Total liabilities</b>	<b>2,038,114</b>	<b>2,013,408</b>
<b>Shareholders' equity</b>		
Common shares (Note 9)	8,804,832	8,804,832
Contributed surplus (Note 9)	1,419,447	1,419,447
Deficit	(4,112,866)	(4,045,902)
<b>Total shareholders' equity</b>	<b>6,111,413</b>	<b>6,178,377</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,149,527</b>	<b>8,191,785</b>

These financial statements were approved and authorized for issue by the Board of Directors on May 30, 2013

(Signed) \_\_\_\_\_  
 François Dumas  
 President, CEO & Director

(Signed) \_\_\_\_\_  
 Vivian Doyle-Kelly  
 CFO

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

**St-Georges Platinum & Base Metals Ltd.**  
**Statements of Comprehensive Loss**  
**(Unaudited)**

<b>For the three months ended March 31</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Operating expenses</b>		
Professional fees	838	4,500
Subcontractors	7,500	43,200
Publicity and promotions	34,973	39,787
Office expenses	2,245	12,087
Brokerage fees	8,733	3,370
Travel expenses	19,126	-
Financial fees and bank charges	2,595	45
	<u>76,010</u>	<u>102,989</u>
Interest revenue from secured debenture (Note 11)	-	4,482
Sales taxes recoverable	9,046	-
<b>Net loss before income taxes</b>	<b>(66,964)</b>	<b>(98,507)</b>
Income taxes – Future (recovered)	-	-
<b>Net loss and comprehensive loss for the period</b>	<b>(66,964)</b>	<b>(98,507)</b>
<b>Deficit, beginning of period</b>	<b>(4,045,902)</b>	<b>(3,567,603)</b>
<b>Deficit, end of period</b>	<b>(4,112,866)</b>	<b>(3,665,110)</b>
Basic and diluted loss per share (\$ per share) (Notes 9 and 17)	(0.004)	(0.006)
Weighted average number of common shares outstanding –		
Basic	15,932,606	15,932,606
Diluted	15,932,606	15,932,606

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

**St-Georges Platinum & Base Metals Ltd.**  
**Statements of Changes in Equity**  
**For the three months ended March 31, 2013 and 2012**  
**(Unaudited)**

	Number of Common Shares	Common Shares	Contributed Surplus	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$
<b>Balance as at January 1, 2012</b>	103,562,111	8,804,832	1,419,447	(3,567,603)	6,656,676
Net loss for the period	-	-	-	(98,507)	(98,507)
<b>Balance as at March 31, 2012</b>	103,562,111	8,804,832	1,419,447	(3,666,110)	6,558,169
<b>Balance as at January 1, 2013</b>	103,562,111	8,804,832	1,419,447	(4,045,902)	6,178,377
Net loss for the period	-	-	-	(66,964)	(66,964)
<b>Balance as at March 31, 2013</b>	103,562,111	8,804,832	1,419,447	(4,112,866)	6,111,413

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

**St-Georges Platinum & Base Metals Ltd.**  
**Statements of Cash Flows**  
**(Unaudited)**

<b>For the three months ended March 31</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net loss and comprehensive loss for the quarter	<u>(66,964)</u>	<u>(98,507)</u>
Net changes in working capital		
Other receivables	126,458	(30,749)
Advances to drilling subcontractors	-	132,841
Prepaid expenses	(9,922)	-
Advance royalty payment	(40,000)	(40,000)
Accounts payable and accrued liabilities	<u>24,706</u>	<u>(52,305)</u>
	<b>101,242</b>	<b>9,787</b>
<b>Net cash from operating activities</b>	<u><b>34,278</b></u>	<u><b>(88,720)</b></u>
<b>Investing activities</b>		
Acquisition of exploration and evaluation assets	<u>(15,985)</u>	<u>(305,000)</u>
<b>Net cash from investing activities</b>	<u><b>(15,985)</b></u>	<u><b>(305,000)</b></u>
<b>Financing activities</b>		
Due to a company controlled by a director	<u>-</u>	<u>50,000</u>
<b>Net cash from financing activities</b>	<u><b>-</b></u>	<u><b>50,000</b></u>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>18,293</b>	<b>(154,040)</b>
Cash and cash equivalents, beginning of period	<u>525</u>	<u>175,130</u>
<b>Cash and cash equivalents, end of period</b>	<u><b>18,818</b></u>	<u><b>21,090</b></u>

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

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# **St-Georges Platinum & Base Metals Ltd.**

## **Notes to Condensed Interim Financial Statements**

**March 31, 2013 and 2012**  
**(Unaudited)**

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### **1. Corporate Information and Going Concern of Operations**

St-Georges Platinum & Base Metals Ltd. (the “Company” or “St-Georges”) was incorporated under the Canada Business Corporations Act on June 21, 2002. The Company is listed on the Canadian National Stock Exchange (“CNSX”), having the symbol SX, and on the OTCQX, having the symbol SXOOF. The address of the Company’s corporate office and principal place of business is 630 Sherbrooke Street West, Suite 410, Montreal, Quebec, H3A 1E4, Canada. The principal activities of the Company are the exploration and evaluation of mineral properties in Canada. The Company, which is in the process of exploring its mineral properties, has one reportable segment in Canada and all of the assets are located in Canada.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At March 31, 2013, the Company has not yet achieved profitable operations, had no operating income and had cash and cash equivalents of \$18,818 and negative working capital of \$1,719,976. As such, the Company’s ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

### **2. Basis of Presentation**

#### **a) Statement of Compliance**

These condensed interim financial statements of the Company for the period ended March 31, 2013 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

The policies applied in these condensed interim financial statements are consistent with the policies disclosed in Notes 2, 3 and 4 of the financial statements for the year ended December 31, 2012. These condensed interim financial statements should be read in conjunction with the Company’s financial statements for the year ended December 31, 2012.

#### **b) Basis of Measurement**

The condensed interim financial statements have been prepared on an historical cost basis.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the financial statements for the year ended December 31, 2012.

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# St-Georges Platinum & Base Metals Ltd.

## Notes to Condensed Interim Financial Statements

March 31, 2013 and 2012  
(Unaudited)

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### 3. Significant Accounting Policies

The preparation of the financial data is based on accounting principles and practices consistent with those used in the preparation of the financial statements for the year ended December 31, 2012. The condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2012.

### 4. Future Accounting Policy Changes Issued But Not Yet In Effect

The following are new pronouncements issued by the IASB. The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements; however, they may impact future periods.

*IFRS 9 "Financial Instruments"*

*IFRS 7 "Financial Instruments Disclosure"*

*IFRS 10 "Consolidated Financial Statements"*

*IFRS 11 "Joint Arrangements"*

*IFRS 12 "Disclosure of Interests in Other Entities"*

*IFRS 13 "Fair Value Measurement"*

*IFRS 20 "20 Stripping Costs in the Production Phase of a Surface Mine"*

Amendments to IAS 1 – "Presentation of Financial Statements" were issued in June 2011 and are effective for annual periods beginning on or after July 1, 2012. IAS 1 should be applied retrospectively, but early adoption is permitted. The amendments require that an entity present separately the items of other comprehensive income ("OCI") that may be reclassified to earnings in the future from those that would never be reclassified to earnings. Consequently an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these categories. The existing option to present the earnings and other comprehensive income in two statements has remained unchanged. The Company intends to adopt the amendments in its financial statements for the annual period beginning on January 1, 2013. The impact of adoption of the amendments has not yet been determined.

### 5. Other Receivables

As of March 31, 2013, the Company had accounts receivable of \$275,231 (December 31, 2012 - \$401,689), as described below:

	<b>March 31, 2013</b>	December 31, 2012
	<b>\$</b>	<b>\$</b>
Taxes recoverable	<b>133,255</b>	259,713
Tax credits and mining duties	<b>141,976</b>	141,976
	<b>275,231</b>	401,689

**St-Georges Platinum & Base Metals Ltd.**  
**Notes to Condensed Interim Financial Statements**  
 March 31, 2013 and 2012  
 (Unaudited)

**6. Exploration and Evaluation Assets**

(\$)	Lac Julie-			Total
	Villebon	Isoukustouc Complex	Manicouagan Constellation	
<b>Balance as at Dec. 31, 2012</b>	<b>4,481,851</b>	<b>2,747,267</b>	<b>506,286</b>	<b>7,735,404</b>
Exploration costs	-	-	-	-
Property acquisitions	-	11,300	4,685	15,985
<b>Balance as at Mar. 31, 2013</b>	<b>4,481,851</b>	<b>2,758,567</b>	<b>510,971</b>	<b>7,751,389</b>

The Villebon, Lac Julie – Isoukustouc Complex and Manicouagan Constellation properties are all located in Quebec, Canada and are 100% owned by the Company.

**Villebon**

The Villebon property is located in the Abitibi region of Northern Quebec close to the north boundary of the La Vérendry Provincial Park and the Reserve in Villebon Township, close to Val-d'Or. This property is located less than 2 kilometres east of Highway 117, about 21 kilometres south of the community of Louvicourt and about 45 kilometres southeast of Val-d'Or. The Villebon property consists of 45 claims.

**Lac Julie – Isoukustouc Complex**

The Lac Julie – Isoukustouc Complex properties are located in the North Shore region of the St. Lawrence River, in proximity to the communities of Baie-Comeau and Sept-Îles. The Manic-3, Mathilda and Isoukustouc properties are located less than 10 kilometres west of the Manic-3 hydro generating station within the Manicouagan reservoir. The Lac Julie – Isoukustouc Complex properties are located approximately 65 kilometres further to the east, close to Lac La Blache. The Lac Julie – Isoukustouc Complex properties are composed of 607 claims.

**Manicouagan Constellation**

The Manicouagan Constellation properties are located along Quebec's North Shore region of the St. Lawrence River, in the Manicouagan sector. The Lac en Dentelle property is 65 kilometres northwest of Labrieville and about 200 kilometres from Forestville. The Franquelin property is located about 14 kilometres from Baie-Comeau. The Ste-Anne property is located east of Manicouagan. The Manic-5 property is located in the centre of Manicouagan. The five other properties (Lac Ste-Anne, Bois-Long, Indian Summer, Katshi and Tétépisca) are located in the northwestern sector of Manicouagan. The Manicouagan Constellation properties are composed of 137 claims.

**Claims Held Jointly with Amseco Exploration Ltd.**

On February 29, 2012, the Company announced that it had partnered with Amseco Exploration Ltd. ("Amseco") to acquire and explore properties known to host multiple graphite occurrences. These claims are divided into two areas. The Tétépisca West, Canadian Goose and Wooden Lake properties (collectively, the "Tétépisca West properties") are all located to the southwest of the Manicouagan Reservoir, close to the Company's Tétépisca property; St-Georges and Amseco jointly have 118 claims



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# St-Georges Platinum & Base Metals Ltd.

## Notes to Condensed Interim Financial Statements

March 31, 2013 and 2012  
(Unaudited)

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### 6. Exploration and Evaluation Assets (continued)

on the Tétépisca West properties. In addition, the Pike River, Lake 222 and the Polynesian Lake Graphite properties (collectively, the “Southern properties”) are located approximately 120 km northwest of Baie-Comeau, Quebec, close to the Company’s Lac Julie properties; St-Georges and Amseco jointly have 67 claims on the Southern properties. St-Georges and Amseco jointly have 185 claims (December 31, 2012 – 185) on the Tétépisca West and Southern properties, which are owned 50-50 by each corporation. The relationship between the two corporations does not constitute a joint venture.

### 7. Advances

As per the Agreement entered into by the Company with Fancamp Resources Inc. and Sheridan Platinum Group Ltd. on February 15, 2009 concerning the Villebon Property, the Company is obliged to pay an advance royalty payment of \$40,000 per year, beginning in February 2012. Please see Note 14 below for further details in this regard.

As of March 31, 2013, the Company had advances of \$80,000 (December 31, 2012 - \$40,000).

### 8. Due to a Company Controlled by a Director

On March 9, 2012, the Company signed a promissory note with a company controlled by a director of the Company for a principal amount of \$50,000, plus \$10,000 in fees. The total amount is due 48 hours following the closing of the Company’s next private placement or upon receipt of sales taxes receivable. If the amount is not paid in full within 65 calendar days after the date when such payment is due, then a late charge of 5% applies (refer to Note 15).

### 9. Share Capital

#### a) Common Shares

The Company is authorized to issue an unlimited number of common shares, voting, participating and with no par value.

The holders of common shares are entitled to receive dividends, which may be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company’s residual assets.

There was no change in common share capital from December 31, 2012 to March 31, 2013:

	<b>Number of Shares</b>	<b>Amount (\$)</b>
<b>Balance at December 31, 2012</b>	<b>103,562,111</b>	<b>8,804,832</b>
<b>Balance at March 31, 2013</b>	<b>103,562,111</b>	<b>8,804,832</b>

On April 22, 2013, the Company completed a consolidation of its shares on the basis of one (1) new common share for every six point five (6.5) common shares held. As at December 31, 2012, there were

**St-Georges Platinum & Base Metals Ltd.**  
**Notes to Condensed Interim Financial Statements**  
 March 31, 2013 and 2012  
 (Unaudited)

**9. Share Capital (continued)**

103,562,111 common shares issued and outstanding on a pre-consolidation basis. There are 15,932,606 common shares issued and outstanding following this consolidation. All common share and per-share figures in these financial statements are presented on a post-consolidation basis.

**b) Preferred Shares**

The Company is authorized to issue an unlimited number of preferred shares without nominal or par value.

**c) Contributed Surplus**

There were no changes in the contributed surplus from December 31, 2012 to March 31, 2013:

	<u>Amount (\$)</u>
<b>Balance at December 31, 2012</b>	<b>1,419,447</b>
<b>Balance at March 31, 2013</b>	<b>1,419,447</b>

**d) Warrants**

*Warrants*

The following is a summary of changes in warrants from December 31, 2012 to March 31, 2013:

	<b>Number of Warrants</b>	<b>Weighted Average Strike Price</b>
<b>Balance as at December 31, 2012</b>	<b>27,197,667</b>	<b>\$0.49</b>
Expired	(6,946,667)	\$0.49
<b>Balance as at March 31, 2013</b>	<b>20,251,000</b>	<b>\$0.52</b>
<b>Warrants exercisable, March 31, 2013</b>	<b>20,251,000</b>	<b>\$0.52</b>

As at March 31, 2013, the Company had outstanding warrants as follows:

<b>Number of Warrants</b>	<b>Strike Price</b>	<b>Expiry Date</b>
3,592,000	\$0.50	May 14, 2013
10,464,000	\$0.56	December 31, 2013
5,175,000	\$0.55	March 1, 2014
170,000	\$0.10	December 29, 2014
850,000	\$0.23	December 29, 2014
<b>20,251,000</b>	<b>\$0.52</b>	

**St-Georges Platinum & Base Metals Ltd.**  
**Notes to Condensed Interim Financial Statements**  
 March 31, 2013 and 2012  
 (Unaudited)

**10. Share-based Payments**

**a) Stock Option Plan**

On June 1, 2009, the Company established a stock-based compensation plan. Under the stock-based compensation plan, the board of directors of the Company may, from time to time, at its discretion, and in accordance with CNSX requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five (5) years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to expiry date of such option.

The subscription price of the shares which may be issued under the plan must not be lower than the closing price of the last regular board lot (not less than \$0.10) sold on the CNSX on the trading day immediately preceding the date of grant. The option price is payable in full at the time the options is exercised. The vesting periods in respect of the options are determined by the Board of Directors at the time of each grant of options.

The following options were outstanding as at March 31, 2013:

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the period			Closing Balance	Vested	Unvested
				Granted	Exercised	Forfeited			
6-Jan-10	6-Jan-15	\$0.20	400,000	-	-	-	400,000	400,000	-
20-Oct-10	20-Oct-15	\$0.15	3,650,000	-	-	1,250,000	2,400,000	2,400,000	-
			4,050,000	-	-	1,250,000	2,800,000	2,800,000	-
Weighted Average Exercise Price			\$0.15	-	-	-	\$0.15	\$0.15	-

*Options Issued to Non-Employees*

In 2011, the Company issued 200,000 shares to a consultant who had provided investor relations services to the Company; the deemed value of these shares at the time of issue was \$50,000. The Company based the value of the services provided by the consultant on similar services provided by other consultants to the Company.

In 2011, the Company acquired a 100% interest in the Cooper Lake property, which is adjacent to the Company's Villebon property in the Abitibi region of Quebec. The Company issued to the vendor \$25,000 in cash and 500,000 common shares of the Company at a deemed value of \$0.18 per share (or \$90,000 in consideration). The Company based the value of the services rendered on the fair value of the shares issued, given the difficulty of establishing value for comparable properties.

In 2011, the Company issued as a finder's fee 2,500,000 common shares of the Company to three parties in connection with the reverse take-over that occurred in December 2009, but which was approved at a

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# **St-Georges Platinum & Base Metals Ltd.**

## **Notes to Condensed Interim Financial Statements**

**March 31, 2013 and 2012**  
**(Unaudited)**

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### **10. Share Based Payments (continued)**

meeting of shareholders in May 2011. The deemed value at the time of approval of the finder's fee in May 2010 was \$0.18 per share (or \$450,000). This amount was revalued at \$412,500 at the time the shares were issued in March 2011. The Company based the value of the services rendered on the fair value of the shares issued, given the difficulty of establishing value for comparable services.

### **11. Secured Debenture**

On May 27, 2010, the Company issued a secured debenture for a principal amount of \$100,000 to LiteWave Corp., a related party (refer to Note 15). This secured debenture was to bear interest at the rate of 15% per annum, payable semi-annually and maturing on May 27, 2011. LiteWave is presently in default of its obligations to repay the principal amount and interest to the Company. Interest on the debenture then increased from 15% per annum to 18% per annum.

Given the current financial condition of LiteWave Corp., the management of the Company is of the view that there is a very strong possibility that the interest will never be received from LiteWave.

Management of St-Georges therefore believed that it was prudent to write off completely the interest receivable from LiteWave Corp. in 2012. As of March 31, 2013, the interest receivable from LiteWave Corp. is \$Nil (December 31, 2012 – \$Nil).

Management of the Company also decided to write off the secured debenture itself in 2012. The Company does have a claim to the assets of LiteWave Corp., which consist primarily of mineral property claims. In the event of liquidation of LiteWave Corp., these mineral property claims would revert to St-Georges. Management estimated the value of these property claims to be \$Nil, resulting in a write-off of the secured debenture for a total amount of \$100,000 in 2012.

### **12. Financial Risk Management and Financial Instruments**

#### **Financial Risk**

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the year.

#### *Market Risk*

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how those exposures are currently managed.

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# **St-Georges Platinum & Base Metals Ltd.**

## **Notes to Condensed Interim Financial Statements**

March 31, 2013 and 2012  
(Unaudited)

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### **12. Financial Risk Management and Financial Instruments (continued)**

#### *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares or conclude private investments.

As at March 31, 2013, the Company has current liabilities and accrued liabilities of \$2,038,114 due within 12 months and has cash and cash equivalents of \$18,818 to meet its current obligations. As a result, the Company does face liquidity risk.

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's credit risk is due mainly to its other receivables and its secured debenture issued to LiteWave.

The Company's statement of financial position is presented net of the allowance for doubtful advances established on a receivable by receivable basis. This amount best represents the Company's maximum exposure to credit risk. The allowance for doubtful advances was established on the basis of an individual appraisal of the advance and an overall appraisal that takes into account the current economic environment.

#### **Fair Value Measurement**

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The carrying amount and fair value of financial instruments are considered to be a reasonable approximation of fair value because of their short-term maturities.

### **13. Capital Management**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2013, the Company's shareholders' equity was \$6,111,413 (December 31, 2012 – \$6,178,377) and it had an amount due to a related party of \$50,000 (December 31, 2012 - \$50,000). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds may be required to finance the Company's

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**St-Georges Platinum & Base Metals Ltd.**  
**Notes to Condensed Interim Financial Statements**  
March 31, 2013 and 2012  
(Unaudited)

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**13. Capital Management (continued)**

corporate objectives. There was no change in the capital management policy for the period ended March 31, 2013.

The Company is not exposed to any externally imposed capital requirements, except when the Company issues flow-through shares, for which an amount should be used for exploration work.

**14. Commitments**

**Payments to Fancamp Exploration Ltd. and Sheridan Platinum Group**

On February 15, 2009, the Company entered into an agreement to purchase claims in the Villebon area of Quebec from Fancamp Exploration Ltd. ("Fancamp") and Sheridan Platinum Group ("Sheridan") (collectively, the "Vendors"). St-Georges originally acquired 50% of these claims, with LiteWave acquiring the remaining 50%. Since LiteWave defaulted on its payments of a total of \$100,000 to each of Fancamp and Sheridan (for a total of \$200,000), St-Georges paid these amounts to Fancamp and Sheridan in February 2011 and assumed a 100% interest in these claims.

As per the terms of this agreement with Fancamp and Sheridan, St-Georges is obliged to pay an advance royalty payment of \$40,000 per year to the Vendors, beginning in February 2012.

In addition, if the Company were to generate revenues from these claims, a Net Smelter Return of between 2% and 3% would be paid to the Vendors.

**15. Related Party Transactions**

**a) LiteWave Corporation.**

On May 27, 2010, the Company issued a secured debenture to LiteWave Corp. for a principal amount of \$100,000. LiteWave Corp. and the Company are related parties as François Dumas and Mark Billings were directors of both companies until October 2012, when they both resigned as directors of LiteWave Corp. David Grand, a director of the Company, is also president and a director of LiteWave Corp. This advance was not made in the normal course of business and is measured at the exchange amount. LiteWave is presently in default of its obligations to repay the secured debenture to the Company. Interest receivable from LiteWave has been written off in 2012 and the secured debenture has also been written off in 2012.

Interest receivable from LiteWave totalled \$Nil (March 31, 2012 - \$30,103).

**b) Management Contracts**

In 2011, the Company signed a management contract with François Dumas, the President and CEO of the Company. As per the terms of this contract, Mr. Dumas was paid \$Nil in fees in the three-month period ended March 31, 2013 (March 31, 2012 – \$21,000). From July 1, 2012 onwards, Mr. Dumas renounced his monthly fee of \$7,000.

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**St-Georges Platinum & Base Metals Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**March 31, 2013 and 2012**  
**(Unaudited)**

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**15. Related Party Transactions (continued)**

In 2011, the Company signed a management contract with a company controlled by Mark Billings, the CFO of the Company. As per the terms of this contract, Mr. Billings' company was paid \$Nil in fees in the three-month period ended March 31, 2013 (March 31, 2012 – \$15,000). From July 1, 2012 onwards, the company controlled by Mr. Billings renounced its monthly fee of \$5,000.

**c) Due to a Company Controlled by a Director**

On March 9, 2012, the Company signed a promissory note with a company controlled by a director of the Company for a principal amount of \$50,000. The Company agrees to repay the principal of \$50,000 and fees of \$10,000 following the closing of a private placement or upon receipt of sales taxes receivable, as described above in Note 8.

**16. Segmental Reporting**

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

**17. Loss per Share**

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in issue during the period. In calculating the diluted loss per share, potential ordinary shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options, warrants and broker warrants in issue that could potentially dilute earnings per share in the future are given in Note 9.

<b>For the three months ended March 31</b>	<b>2013</b>	<b>2012</b>
Loss for the period	(66,964)	(98,507)
Weighted average number of shares in issue (Note 18)		
Basic	15,932,606	15,932,606
Diluted	15,932,606	15,932,606
Loss per share		
Basic	(0.004)	(0.006)
Diluted	(0.004)	(0.006)

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**St-Georges Platinum & Base Metals Ltd.**  
**Notes to Condensed Interim Financial Statements**  
March 31, 2013 and 2012  
(Unaudited)

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**18. Events after the Reporting Date**

**Share Consolidation**

On April 22, 2013, the Company completed a consolidation of its shares on the basis of one (1) new common share for every 6.5 common shares held. As at December 31, 2012, there were 103,562,111 common shares issued and outstanding on a pre-consolidation basis. There are 15,932,606 common shares issued and outstanding following this consolidation. All figures in these financial statements are presented on a post-consolidation basis.