NWT URANIUM CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE TRANSITIONAL FIFTEEN MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

The accompanying audited consolidated financial statements of NWT Uranium Corp. (the "Company") are the responsibility of the Board of Directors.

The audited consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the audited financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the reporting date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards and its interpretation as issued by the International Accounting Standards Board.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the audited consolidated financial statements; and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the audited consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the audited consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the audited consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Independent Auditors' Report

To the Shareholders of
NWT Uranium Corp.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NWT Uranium Corp. which comprise the consolidated statements of financial position as at March 31, 2012, December 31, 2010 and January 1, 2010, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the fifteen months ended March 31, 2012 and the year ended December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

701 Evans Avenue, 8th Floor, Toronto ON M9C 1A3, Canada T (416) 626-6000 F (416) 626-8650 MSCM.CA

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial positions of the Company as at March 31, 2012, December 31, 2010, and January 1, 2010, and its financial performance and its cash flows for the fifteen months ended March 31, 2012 and the year ended December 31, 2010 in accordance with International Financial Reporting Standards.

"MSCM LLP"

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
July 30, 2012

NWT URANIUM CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	March 31, 2012	December 31, 2010 (Note 21)	January 1, 2010 (Note 21)
Assets			
Current			
Cash and cash equivalents (Note 6)	**$ 8,248,634**	$ 19,593,946	$ 5,360,698
Amounts receivable and prepaid expenses (Note 7)	**664,558**	68,416	488,091
Income taxes recoverable	**1,894,751**	1,894,751	1,453,751
Current portion of loan receivable (Note 8)	**10,041**	9,996	10,050
	10,817,984	21,567,109	7,312,590
Deferred income tax assets (Note 18)	**-**	1,531,900	-
Loan receivable (Note 8)	**165,915**	187,022	196,079
Equipment (Note 9)	**125,218**	62,237	19,497
Other investments (Note 10)	**8,780,186**	11,309,001	1,987,500
Investment in URU Metals Limited (Note 11)	**6,705,081**	5,096,041	20,742,448
	$ 26,594,384	$ 39,753,310	$ 30,258,114
Liabilities and Equity			
Current			
Accounts payable and accrued liabilities (Note 12)	**$ 258,024**	$ 202,974	$ 139,116
Income taxes payable	**2,933,206**	2,803,800	-
	3,191,230	3,006,774	139,116
Equity (statement and Note 13)	**23,403,154**	36,746,536	30,118,998
	$ 26,594,384	$ 39,753,310	$ 30,258,114

NATURE OF OPERATIONS (Note 1)

NWT URANIUM CORP.
Consolidated Statements of (Loss) Income
(Expressed in Canadian Dollars)

	Fifteen Months Ended March 31, 2012	Year Ended December 31, 2010 (Note 21)
Expenses		
General and administrative expenses (Note 16)	**$ 3,796,722**	$ 3,827,579
Net loss for the period before the following:	**(3,796,722)**	(3,827,579)
Dividend income	**806,400**	21,983,532
Interest income	**93,844**	72,423
Gain on sale of other investments	**1,063,965**	500,033
Loss on sale of investment in URU Metals Limited	**-**	(49,791)
Permanent impairment write-down on portfolio investments available-for-sale and investment in URU Metals Limited (Notes 10 and 11)	**(18,479,608)**	**-**
Equity loss in significantly influenced company (Note 11)	**(15,026)**	-
Loss on disposition of equipment	**(1,783)**	**-**
Net (loss) income before provision for income taxes:	**(20,328,930)**	18,678,618
Provision for income taxes		
Current income taxes (Note 18)	**174,000**	2,803,800
Deferred income taxes (Note 18)	**(239,600)**	239,600
	(65,600)	3,043,400
Net (loss) income for the period	**$(20,263,330)**	$ 15,635,218
(Loss) income per share - basic (Note 15)	**$ (0.15)**	$ 0.12
(Loss) income per share - diluted (Note 15)	**$ (0.15)**	$ 0.11

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

NWT URANIUM CORP.
Consolidated Statements of Comprehensive (Loss) Income
(Expressed in Canadian Dollars)

	Fifteen Months Ended March 31, 2012	Year Ended December 31, 2010 (Note 21)
Net (loss) income for the period	**$(20,263,330)**	$ 15,635,218
Other comprehensive loss		
Net unrealized loss on available-for-sale investments, net of tax	**(11,559,660)**	(10,949,300)
Reclassification adjustment for permanent impairment recognized in net (loss) income	**18,479,608**	-
Net comprehensive (loss) income for the period	**$(13,343,382)**	$ 4,685,918

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

NWT URANIUM CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Fifteen Months Ended March 31, 2012	Year Ended December 31, 2010 (Note 21)
Cash (used in) provided by		
OPERATING ACTIVITIES		
Net (loss) income for the period	**$(20,263,330)**	$ 15,635,218
Stock based compensation expense	**-**	1,314,720
Deferred income taxes	**(239,600)**	239,600
Shares received in lieu of dividend income	**-**	(9,823,064)
Share paid in lieu of bonus	**-**	461,000
Equity loss in significantly influenced company	**15,026**	-
Gain on sale of investment in URU Metals Limited	**-**	49,791
Gain on sale of other investments	**(1,063,965)**	(500,033)
Loss on disposition of equipment	**1,783**	-
Permanent impairment write-down on portfolio investments available for sale	**18,479,608**	-
Depreciation	**20,225**	10,570
Changes in non-cash working capital items:		
Amounts receivable and prepaid expenses	**(596,142)**	419,675
Accounts payable and accrued liabilities	**55,050**	63,858
Income taxes recoverable	**-**	(441,000)
Income taxes payable	**129,406**	2,803,800
Loan receivable	**21,062**	9,111
	(3,440,877)	10,243,246
FINANCING ACTIVITIES		
Exercise of options	**-**	165,900
INVESTING ACTIVITIES		
Purchase of equipment	**(84,989)**	(53,310)
Purchase of other investments	**(17,787,480)**	(2,045,098)
Proceeds from sale of other investments	**11,638,493**	5,941,242
Purchase of investment in URU Metals Limited	**(1,581,733)**	(77,071)
Proceeds from sale of investment in URU Metals Limited	**-**	58,339
	(7,815,709)	3,824,102
(Decrease) increase in cash and cash equivalents	**(11,256,586)**	14,233,248
Foreign exchange effect	**(88,726)**	-
Cash and cash equivalents, beginning of period	**19,593,946**	5,360,698
Cash and cash equivalents, end of period	**$ 8,248,634**	$ 19,593,946

SUPPLEMENTAL INFORMATION:

Interest received	**$ 93,844**	$ 72,423
Income taxes received	**$ -**	$ 410,513

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

NWT URANIUM CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

		Reserves			
	Share Capital	Equity Settled Share-based Payments Reserve	Available-for-sale Revaluation Reserve	Retained Earnings	Total
Balance, January 1, 2010	$ 20,633,843	$ 6,999,480	$ 3,675,100	$ (1,189,425)	$ 30,118,998
Share based payment	-	1,314,720	-	-	1,314,720
Exercise of stock options	626,900	-	-	-	626,900
Fair value of stock options exercised	358,210	(358,210)	-	-	-
Net income and comprehensive (loss) for the period	-	-	(10,949,300)	15,635,218	4,685,918
Balance, December 31, 2010	21,618,953	7,955,990	(7,274,200)	14,445,793	36,746,536
Net unrealized loss on available-for-sale investments, net of tax	-	-	(11,559,660)	-	(11,559,660)
Reclassification adjustment for permanent impairment recognized in net (loss) income	-	-	18,479,608	-	18,479,608
Net (loss) and comprehensive (loss) for the period	-	-	-	(20,263,330)	(20,263,330)
Balance, March 31, 2012	**$ 21,618,953**	**$ 7,955,990**	**$ (354,252)**	**$ (5,817,537)**	**$ 23,403,154**

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

1. NATURE OF OPERATIONS

NWT Uranium Corp. (the "Company" or "NWT") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated September 26, 2003. On February 11, 2010, the Company incorporated a wholly-owned subsidiary, Niketo Co. Ltd. ("Niketo") under the laws of Cyprus. The Company is in the process of investigating the potential of properties for mineral resources. The Company also holds strategic investments in other resource companies. The primary office is located at 100 Adelaide Street West, Suite 1201, Ontario, Canada, M5H 1S3. On November 24, 2011, the Company changed its year end from December 31 to March 31.

The consolidated financial statements were approved by the Board of Directors on July 30, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company’s first audited consolidated financial statements for the fifteen month period ended March 31, 2012 to be presented in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). IFRS 1 First-Time Adoption of IFRS ("IFRS 1") has been applied and the impact of the transition from Canadian GAAP to IFRS is explained in note 21.

The accounting policies set out below have been applied consistently to all periods presented, including the opening consolidated statement of financial position at January 1, 2010 (note 21) for purposes of transition to IFRS.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as available-for-sale or at fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(n).

(c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statements of (loss) income and comprehensive (loss) income from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
NWT Uranium Corp.	Ontario, Canada	Parent company
Niketo Co. Ltd. [1]	Republic of Cyprus	Holding company
Northwest Mineral Mexico, S.A de C.V.[1]	Mexico	Exploration company

[1] 100% owned by NWT Uranium Corp.

(d) Financial instruments

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred. Securities are accounted for at the trade date.

Measurement in subsequent periods depends on the classification of the financial instrument.

i) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of (loss) income.

The Company's financial assets classified as FVTPL include cash and cash equivalents. The Company does not currently hold any derivative instruments or apply hedge accounting.

ii) Available-for-sale financial assets

Financial assets are classified as available-for-sale when so designated by management. Financial assets classified as available-for-sale are measured at fair value, with changes recognized in other comprehensive (loss) income until the gain or loss is realized, at which time they will be recorded in net (loss) income. Other than temporary impairments on available-for-sale financial assets are recorded in net (loss) income.

The Company's financial assets classified as available-for-sale include other investments.

iii) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Amounts receivable and loan receivable are classified as loans and receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

iv) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities are classified as other financial liabilities. The Company does not currently apply hedge accounting.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

(e) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to future benefit.

(f) Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is recorded on the declining balance basis at the following annual rates:

Computer equipment	30%
Furniture and fixtures	20%
Field equipment	20%
Vehicle	30%

(g) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, including guaranteed investment certificates with maturity dates of 3 months or less or which are cashable without penalty.

(h) Impairment of assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of (loss) income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of assets (continued)

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

(j) Asset retirement obligations

A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with its resource properties. The estimated costs of reclamation are based on current regulatory requirements and the estimated reclamation costs at the date of purchase. Future changes to those regulations and standards, as well as changes resulting from operations may result in actual reclamation costs differing from the estimate.

The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Foreign currency translation

The Canadian dollar is the presentation currency and also the functional currency of the Company and all its subsidiaries. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities not denominated in the functional currency are translated at the period end rates of exchange. Foreign exchange gains and losses are recognized in the consolidated statement of (loss) income.

(l) Share-based payments

The Company operates a stock option plan under which it receives services from employees, and others providing similar services, as consideration for equity instruments of the Company.

Stock options granted are settled with shares of the Company. The expense is determined based on the fair value of the award granted and recognized over the period which services are received, which is usually the vesting period. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the consolidated statement of (loss) income.

(m) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

(n) Critical accounting estimates and judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

i) Critical accounting estimates

Impairment of available-for-sale financial assets and investment in URU Metals Limited - the Company assesses at the end of the reporting period whether any objective evidence exists that these assets may be impaired. For the available-for-sale financial assets, when such objective evidence exists, the cumulative loss accumulated in equity is reclassified to profit and loss. For the equity-accounted investment in URU Metals Limited, the Company applies the policy described in (h) above to estimate the recoverable amount and determine the amount of any impairment loss. Changes in the estimates applied by the Company would have a material impact on how it applies these policies.

ii) Critical judgments in applying accounting policies

Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at March 31, 2012, December 31, 2010 and January 1, 2010.

(p) Investments in associates

The Company conducts a portion of its business through equity interests in associates. An associate is an entity over which the Company has significant influence, and is neither a subsidiary nor a joint venture. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for its investments in associates using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of earnings and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings and losses of associates are recognized in net earnings during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment. The Company's investments in associates are included in non-current assets on the consolidated statements of financial position. Intercompany transactions between the Company and its associates are recognized only to the extent of unrelated investors' interests in the associates. Intercompany balances between the Company and its associates are not eliminated.

(q) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after March 31, 2012 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. 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, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Recent Accounting Pronouncements (continued)

(ii) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

(iii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iv) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(v) IFRS 13 – Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosures regarding the fair value hierarchy have been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(vi) IAS 1 – Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and retained earnings which at March 31, 2012 totaled $23,403,154 (December 31, 2010 - $36,746,536 ; January 1, 2010 - $30,118,998). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its mineral properties. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the fifteen months ended March 31, 2012.

The Company is not subject to any externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and loan receivable. Cash and cash equivalents are held with reputable financial institutions. Amounts receivable are in good standing as of March 31, 2012. Loan receivable consists of a loan to a consultant of the Company. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents, amounts receivable and loan receivable is minimal.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2012, the Company had a cash and cash equivalents balance of $8,248,634 (December 31, 2010 - $19,593,946; January 1, 2010 - $5,360,698) to settle current liabilities of $3,191,230 (December 31, 2010 - $3,006,774; January 1, 2010 - $139,116). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

4. FINANCIAL RISK FACTORS (continued)

Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

Market Risk (continued)

(ii) Foreign Currency Risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. The Company maintains Mexican Peso, United States dollar, UK Pound Sterling and European Euro bank accounts. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management does not hedge its foreign exchange risk.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of uranium, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period. The sensitivity analysis shown in the notes below may differ materially from actual results.

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and accounts payable and accrued liabilities that are denominated in Mexican Pesos, United States dollars, UK Pound Sterling and European Euros. As at March 31, 2012, had the Mexican Peso, United States dollar, UK Pound Sterling and European Euro varied by 5% against the Canadian dollar with all other variables held constant, the Company's reported net income for the fifteen months ended March 31, 2012 would have varied by approximately $412,000.

(ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of uranium. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of uranium may be produced in the future, a profitable market will exist for them. As of March 31, 2012, the Company was not a producer of uranium. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(iii) The Company's investments in other public companies is sensitive to an estimated plus or minus 20% change in equity prices which would affect comprehensive (loss) income by approximately $1,756,000.

(Expressed in Canadian Dollars)

4. FINANCIAL RISK FACTORS (continued)

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2012:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,248,634	$ -	$ -	$ 8,248,634
Other investments	8,780,186	-	-	8,780,186
	$17,028,820	$ -	$ -	$17,028,820

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- Level 3 – valuation techniques with significant unobservable market inputs

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	As at March 31, 2012	As at December 31, 2010	As at January 1, 2010
Financial assets:			
Fair value through profit or loss			
Cash and cash equivalents	**$ 8,248,634**	$ 19,593,946	$ 5,360,698
Loans and receivables			
Amounts receivable	**38,019**	27,657	465,199
Loan receivable	**175,956**	197,018	206,129
Available-for-sale financial assets			
Other investments	**8,780,186**	11,309,001	1,987,500
Investment in URU Metals Limited	**-**	5,096,041	20,742,448
Financial liabilities:			
Other financial liabilities			
Accounts payable and other liabilities	**$ 258,024**	$ 202,974	$ 139,116

As of March 31, 2012, December 31, 2010 and January 1, 2010, the fair values of cash and cash equivalents, amounts receivable, other investments, investment in URU Metals Limited and accounts payable and other liabilities approximate the carrying value.

(Expressed in Canadian Dollars)

6. CASH AND CASH EQUIVALENTS

	As at March 31, 2012	As at December 31, 2010	As at January 1, 2010
Cash	**$ 8,248,634**	$ 18,330,224	$ 2,629,092
Money market investments	**-**	1,263,722	2,731,606
Cash and cash equivalents	**$ 8,248,634**	$ 19,593,946	$ 5,360,698

7. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	As at March 31, 2012	As at December 31, 2010	As at January 1, 2010
Sales tax receivable - Canada	**$ 88,193**	$ 29,923	$ 11,530
Other receivable	**38,019**	27,657	465,199
Prepaid expenses	**538,346**	10,836	11,362
	$ 664,558	$ 68,416	$ 488,091

8. LOAN RECEIVABLE

The loan receivable was issued during 2009 to a consultant of the Company in the amount of US$201,000. This consultant provides consulting services related to the acquisition of properties in Asia, among other things. The loan was provided for temporary housing and office space. As at March 31, 2012, the loan receivable is $175,956 (US$175,798) (December 31, 2010 - $197,018 (US$198,082); January 1, 2010 - $206,129 (US$196,956)).

The terms of the loan are as follows:

- Interest will be paid annually, prior to the end of the calendar year;
- The interest rate on the loan will be the same rate (1%) as is used to calculate taxable benefits for employees and shareholders per Canada Revenue Agency;
- The term of the loan is 20 years, renewable at the option of the Company;
- Minimum annual principal repayment is USD$10,050;
- Any annual principal repayment amounts in excess of the minimum annual principal repayment amount can be carried forward to reduce the minimum amount of principal repayments required in subsequent years; and
- The loan is unsecured and can be repaid at any time without penalty.

(Expressed in Canadian Dollars)

9. EQUIPMENT

Cost	Computer equipment	Furniture and fixtures	Field equipment	Vehicle	Total
Balance, January 1, 2010	$ 35,327	$ 3,624	$ -	$ 9,786	$ 48,737
Additions	2,705	8,855	41,750	-	53,310
Balance, December 31, 2010	38,032	12,479	41,750	9,786	102,047
Additions	6,325	78,664	-	-	84,989
Disposal	-	-	-	(9,786)	(9,786)
Balance, March 31, 2012	$ 44,357	$ 91,143	$ 41,750	$ -	$ 177,250

Accumulated Depreciation	Computer equipment	Furniture and fixtures	Field equipment	Vehicle	Total
Balance, January 1, 2010	$ 21,738	$ 1,792	$ -	$ 5,710	$ 29,240
Depreciation during the period	4,339	833	4,175	1,223	10,570
Balance, December 31, 2010	26,077	2,625	4,175	6,933	39,810
Depreciation during the period	4,885	4,876	9,394	(6,933)	12,222
Balance, March 31, 2012	$ 30,962	$ 7,501	$ 13,569	$ -	$ 52,032

Net Carrying Value	Computer equipment	Furniture and fixtures	Field equipment	Vehicle	Total
Balance, January 1, 2010	$ 13,589	$ 1,832	$ -	$ 4,076	$ 19,497
Balance, December 31, 2010	$ 11,955	$ 9,854	$ 37,575	$ 2,853	$ 62,237
Balance, March 31, 2012	$ 13,395	$ 83,642	$ 28,181	$ -	$ 125,218

10. OTHER INVESTMENTS

Other investments consists of shares held in publicly listed companies. The fair market value as at March 31, 2012 was $8,780,186 (December 31, 2010 - $11,309,001; January 1, 2010 - $1,987,500).

The Company uses the following criteria to determine if there is objective evidence that a permanent impairment has occurred:
(i) The length of time that the investment has been impaired;
(ii) The market price of the investment at the date of the period end assessment;
(iii) Financial condition and near-term prospects of the investment company; and
(iv) The ability of the Company to retain the investment for a period of time sufficient for a recovery in market value.

For the fifteen months ended March 31, 2012, the Company recorded an impairment loss of $6,343,208 (year ended December 31, 2010 - Nil) with respect to its other investments.

(Expressed in Canadian Dollars)

11. INVESTMENT IN URU METALS LIMITED

As at March 31, 2012, the Company owned 52,333,339 common shares (December 31, 2010 and January 1, 2010 - 39,818,339 common shares) in URU Metals Limited ("URU") (formerly Niger Uranium Limited) which represents approximately 46.2% (December 31, 2010 - 35.1%; January 1, 2010 - 35.1%) of URU Metals Limited's shareholding.

As at December 31, 2010, Company classified this investment as a portfolio investment which had a cost of $17,274,774 and was measured at its fair value of $5,096,041. On March 26, 2012, the Company acquired an additional 12,515,000 common shares of URU and the Company's ownership increased to 46.2% of the outstanding common shares of URU. For the period ended March 26, 2012, the Company recorded an impairment loss of $12,136,400 (year ended December 31, 2010 - Nil) with respect to this investment.

As a result of the increased ownership, the Company determined that as at March 26, 2012 it acquired significant influence over URU and therefore accounts for this investment using the equity method. The Company's share of losses in URU is reported in net (loss) income from the date of acquisition of significant influence. For the fifteen months ended March 31, 2012, the Company recorded an equity loss of $15,026 (December 31, 2010 - $nil) relating to this investment.

The fair market value as at March 31, 2012 was $6,720,107 (December 31, 2010 - $5,096,041; January 1, 2010 - $20,742,448).

Balance, January 1, 2010	$	**20,742,448**
Unrealized loss		**(15,646,407)**
Balance, December 31, 2010		**5,096,041**
Acquisition of common shares		**1,581,733**
Unrealized gain		**42,333**
Equity loss in URU		**(15,026)**
Balance, March 31, 2012	**$**	**6,705,081**
Fair market value March 31, 2012	**$**	**6,720,107**

The Company's share of loss in URU was derived from the most recent set of available financial statements of URU. Financial highlights of the Company's investment in URU as at March 31, 2012 include the following (in US$):

As at March 31, 2012:		
Total assets	**$**	**12,606,000**
Total liabilities	**$**	**322,000**
Year ended March 31, 2012:		
Revenue	**$**	**-**
Loss for the year	**$**	**(2,391,000)**

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2012	As at December 31, 2010	As at January 1, 2010
Due within the year			
Trade payables	**$ 258,024**	$ 202,974	$ 139,116

(Expressed in Canadian Dollars)

13. SHARE CAPITAL

a) Authorized

Unlimited number of common shares

b) Issued and outstanding

	Number of Shares	Amount
Balance, January 1, 2010	126,131,342	$ 20,633,843
Exercise of stock options	6,010,000	626,900
Fair value of stock option exercised	-	358,210
Balance, December 31, 2010 and March 31, 2012	**132,141,342**	**$ 21,618,953**

14. STOCK OPTIONS

The Company has a stock option plan for the purchase of common shares for its directors, officers, employees and other service providers. The aggregate number of common shares reserved for issuance under the stock option plan is 10% of the issued and outstanding common shares of the Company. The options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The vesting term of the options is fixed by the Board of Directors of the Company at the time of grant and may vary from immediate vesting to up to 24 months.

The following table represents a continuity of stock options for the fifteen months ended March 31, 2012:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2010	13,210,000	$ 0.22
Options expired	(200,000)	0.68
Balance, March 31, 2012	**13,010,000**	**$ 0.21**

As at March 31, 2012, the Company had the following stock options outstanding:

Outstanding Options	Exercisable Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price ($)	Expiry Date
100,000	100,000	0.18	0.72	June 4, 2012
200,000	200,000	0.26	1.03	July 4, 2012
100,000	100,000	0.41	0.71	August 28, 2012
4,100,000	4,100,000	1.38	0.15	August 15, 2013
400,000	400,000	1.88	0.10	February 14, 2014
640,000	640,000	2.27	0.115	July 9, 2014
7,470,000	7,470,000	3.75	0.225	December 28, 2015
13,010,000	13,010,000	2.76	0.21	

(Expressed in Canadian Dollars)

15. (LOSS) INCOME PER SHARE

	Fifteen Months Ended March 31, 2012	Year Ended December 31, 2010
Net (loss) income for the period	**$ (20,263,330)**	$ 15,635,218
Net (loss) income per share		
Basic	**$ (0.15)**	$ 0.12
Diluted [(i)]	**$ (0.15)**	$ 0.11
Weighted average number of shares outstanding - basic	**132,141,342**	126,183,452
Dilutive effect of stock options	**-**	11,784,712
Weighted average number of shares outstanding - diluted	**132,141,342**	137,968,164

[(i)] Diluted loss per share has not been presented as its anti-dilutive.

16. GENERAL AND ADMINISTRATIVE EXPENSES

	Fifteen Months Ended March 31, 2012	Year Ended December 31, 2010
Expenses		
Management and administrative services (Note 20)	**$ 2,332,239**	$ 1,602,911
Professional fees	**1,025,501**	546,231
Office and administration	**642,441**	483,457
Travel expenses	**239,083**	183,549
Shareholders information	**69,944**	50,003
Regulatory fees	**26,679**	10,265
Investor relations and promotion	**16,425**	19,859
Stock based compensation expense	**-**	1,314,720
Depreciation	**20,225**	10,569
Foreign exchange gain	**(575,815)**	(393,985)
	$ 3,796,722	$ 3,827,579

17. CONTINGENCY

The Company is defending an action brought by a geological consulting firm for the preparation of a report and transportation costs of a drilling rig. While liability is not admitted, if defence against the action is unsuccessful, amounts sought after by the geological consulting firm could amount to $111,391. Based on legal advice, the directors do not expect the outcome of the action to have a material effect on the Company's financial position.

(Expressed in Canadian Dollars)

18. INCOME TAXES

The following table reconciles the expected income tax recovery at the Canadian Federal and Provincial statutory rate of 28% (2010 - 31%) to the amounts recognized in the consolidated statements of (loss) income:

	Fifteen Months Ended March 31, 2012	Year Ended December 31, 2010
Income (loss) before income taxes	**$(20,328,930)**	$ 18,678,618
Expected income tax expense (recovery)	**$ (5,692,100)**	$ 5,790,400
Permanent differences	**257,700**	318,100
Tax rate changes and other adjustments	**3,070,200**	(3,333,300)
Change in tax benefit not recognized	**2,298,600**	268,200
Income tax expense (recovery) reflected in the statement of operations	**$ (65,600)**	$ 3,043,400

The Company's income tax expense (recovery) is allocated as follows:

Current tax expense (recovery)	**$ 174,000**	$ 2,803,800
Deferred tax expense (recovery)	**$ (239,600)**	$ 239,600

The income tax expense (benefit) on other comprehensive income is made up of the following components:

Change in fair value of available-for-sale investments	**$ 1,771,500**	$ (1,771,524)
Total income tax benefit related to other comprehensive (loss) income	**$ 1,771,500**	$ (1,771,524)

Deferred Income Tax Assets
Movement in net deferred tax assets:

Balance at the beginning of the period	**$ 1,531,900**	$ -
Recognized in profit/loss	**239,600**	(239,600)
Recognized in OCI	**(1,771,500)**	1,771,500
Balance at the end of the period	**$ -**	$ 1,531,900

(Expressed in Canadian Dollars)

18. INCOME TAXES (continued)

The following summarizes the components of deferred income tax:

	March 31, 2012	December 31, 2010	January 1, 2010
Deferred Tax Assets			
Non-capital loss carryforwards	$ -	$ 3,500	$ -
Exploration properties	-	284,300	456,336
Unrealized loss on investment in URU Metals Limited	-	1,522,300	-
Share issue cost	-	-	71,703
	-	1,810,100	528,039
Deferred Tax Liabilities			
Equipment	-	2,400	3,025
Unrealized gain on other investments	-	275,800	525,014
	-	278,200	528,039
Deferred tax assets - net	$ -	$ 1,531,900	$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has a legal right and intent to offset.

Unrecognized Deferred Tax Assets
Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. The Company's deferred income tax assets have not been recognized in respect of the following items:

	March 31, 2012	December 31, 2010	January 1, 2010
Loss carry-forward balance - Cyprus	**$ 95,346**	$ -	$ -
Loss carry-forward balance - Mexico	**23,555**	22,205	-
Loss carry-forward balance - Canada	**867,050**	-	-
Exploration and development expenses	**3,704,350**	2,420,419	1,858,300
Long-term investments	**18,323,872**	-	-

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom. Cyrpus non-capital loss carry forwards may be carried forward indefinitely. Mexico non-capital loss carry forward balances expire between 2018 and 2022. The Canadian non-capital loss carry forwards expire in 2031 and 2032. Other deductible temporary differences carry-forward indefinitely.

(Expressed in Canadian Dollars)

19. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The Company's reportable segments are based upon the geographic region for the Company's operations or tradable financial instruments, and include Canada, Mexico, Africa and Cyprus.

The Company’s principal operations are the acquisition, exploration and development of mineral properties. As at March 31, 2012, cash and cash equivalents of $41,133 (December 31, 2010 - $2,998,807; January 1, 2010 - $5,340,190) were held in Canadian chartered banks, $8,206,745 (December 31, 2010 - $16,592,664; January 1, 2010 - $nil) held in Cyprus, $756 (December 31, 2010 - $2,475; January 1, 2010 - $20,508) held in Mexico and $nil (December 31, 2010 - $nil; January 1, 2010 - $nil) is held in Africa. Total assets are held as follows:

March 31, 2012	**Canada**	**Mexico**	**Africa**	**Cyprus**	**Total**
Current assets	$ 2,610,483	$ 756	$ -	$ 8,206,745	$ 10,817,984
Equipment	125,218	-	-	-	125,218
Other assets	3,741,515	-	6,705,081	5,204,586	15,651,182
Total assets	**$ 6,477,216**	**$ 756**	**$ 6,705,081**	**$ 13,411,331**	**$ 26,594,384**

December 31, 2010	**Canada**	**Mexico**	**Africa**	**Cyprus**	**Total**
Current assets	$ 4,971,969	$ 2,476	$ -	$ 16,592,664	$ 21,567,109
Equipment	62,237	-	-	-	62,237
Other assets	6,388,212	-	11,735,752	-	18,123,964
Total assets	**$ 11,422,418**	**$ 2,476**	**$ 11,735,752**	**$ 16,592,664**	**$ 39,753,310**

January 1, 2010	**Canada**	**Mexico**	**Africa**	**Cyprus**	**Total**
Current assets	$ 7,292,082	$ 20,508	$ -	$ -	$ 7,312,590
Equipment	19,497	-	-	-	19,497
Other assets	2,183,579	-	20,742,448	-	22,926,027
Total assets	**$ 9,495,158**	**$ 20,508**	**$ 20,742,448**	**$ -**	**$ 30,258,114**

Fifteen months ended March 31, 2012	**Canada**	**Mexico**	**Africa**	**Cyprus**	**Total**
Net (loss) allocation for the period	$ (440,263)	$ (149)	$ (11,915,924)	$ (7,906,994)	$ (20,263,330)

Year ended December 31, 2010	**Canada**	**Mexico**	**Africa**	**Cyprus**	**Total**
Net income (loss) allocation for the period	$ 2,172,369	$ (130,995)	$ (2,018,967)	$ 15,612,811	$ 15,635,218

The allocation of net (loss) income to each segment is based on the income and expenses associated with each segment in the period reported.

(Expressed in Canadian Dollars)

20. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management of the Company was as follows:

	Fifteen Months Ended March 31, 2012	Year Ended December 31, 2010
Salaries and benefits	**$ 140,530**	$ 254,621
Directors fees	**115,284**	145,983
Management fees (i)	**532,980**	1,294,557
Consulting fees	**52,100**	-
	$ 840,894	$ 1,695,161

(i) Included in management fees are management fees paid to Reananaree Consulting Services, a company controlled by the President and Chief Executive Officer ("CEO") of NWT. The management fees are related to the CEO function performed.

Included in accounts payable and accrued liabilities at March 31, 2012 is $66,406 (December 31, 2010 - $52,793; January 1, 2010 - $49,170) owing to these related parties.

21. CONVERSION TO IFRS

(i) Overview

As stated in Significant Accounting Policies (note 2), these consolidated financial statements are prepared in accordance with IFRS as issued by the IASB.

The policies set out in the Significant Accounting Policies section have been applied in preparing the consolidated financial statements for the fifteen months ended March 31, 2012 and the year ended December 31, 2010 and in the preparation of an opening IFRS consolidated statement of financial position at January 1, 2010 (the Company's Transition Date).

(ii) First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS consolidated statement of financial position as at January 1, 2010, the Company's "Transition Date".

- To apply IFRS 2, Share based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

21. CONVERSION TO IFRS (continued)

(ii) First-time adoption of IFRS (continued)

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS consolidated statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

The Company's Transition Date IFRS consolidated statement of financial position is included as comparative information in the consolidated statement of financial position in these financial statements.

(iii) Changes to accounting policies

The Company has changed certain accounting policies to be consistent with IFRS effective on March 31, 2012, the Company's first annual IFRS reporting date. The changes to its accounting policies have resulted in no changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its consolidated financial statements, therefore a reconciliation between IFRS and Canadian GAAP is not necessary.

(iv) Presentation

Certain amounts in the consolidated statements of financial position, statements of (loss) income and comprehensive (loss) income and consolidated statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.