PASINEX RESOURCES LIMITED

(Formerly Triple Dragon Resources Inc.)
(An Exploration Stage Company)

Consolidated Financial Statements

March 31, 2012 and 2011

(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Pasinex Resources Limited were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 5 to the consolidated financial statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the 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 years presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date and for the periods presented by the audited consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the 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 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 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, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)

"Steven Williams"
Director

(signed)

"David Hodge"
Director

MNP LLP

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

Pasinex Resources Limited
(Formerly Triple Dragon Resources Inc.)
(An Exploration Stage Company)

We have audited the accompanying consolidated financial statements of Pasinex Resources Limited, (formerly Triple Dragon Resources Inc.) (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010, the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows, for the years ended March 31, 2012 and 2011, and notes, comprising 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2012, March 31, 2011 and April 1, 2010 and its financial performance and cash flows for the years ended March 31, 2012 and 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which discloses matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, BC, Canada
July 25, 2012

Chartered Accountants

Pasinex Resources Limited
(Formerly Triple Dragon Resources Inc.)
(An exploration stage company)

Consolidated Statements of Financial Position
As expressed in Canadian dollars

	March 31, 2012	March 31 2011	April 1, 2010
		(Note 22)	(Note 22)
Assets			
Current			
Cash and cash equivalents	$ **1,372,530**	$ 4,855	$ 20,026
HST/VAT receivable	**24,093**	2,153	14,938
Other receivables (Note 9)	**150,843**	-	-
Prepaid expenses and deposits	**159,622**	-	-
Marketable securities (Note 8)	**216,750**	247,500	-
	1,923,838	254,508	34,964
Marketable Securities (Note 8)	**38,250**	202,500	-
Equipment (Note 11)	**92,803**	-	-
Exploration and evaluation assets (Note 12)	**326,491**	423,758	278,603
Mineral property held for sale (Note 13)	**-**	-	130,571
	$ **2,381,382**	$ 880,766	$ 444,138
Liabilities			
Current			
Accounts payable and accrued liabilities (Note 10)	$ **67,831**	$ 147,250	$ 33,227
Due to related parties (Note 17)	**228,372**	143,933	26,250
	296,203	291,183	59,477
Deferred income tax liability (Note 19)	-	18,750	-
	296,203	309,933	59,477
Shareholders' Equity			
Share capital (Note 14)	**4,829,608**	2,658,250	2,648,250
Contributed surplus (Note 14)	**831,220**	751,465	751,465
Deficit	**(3,573,923)**	(2,838,882)	(3,015,054)
Accumulated other comprehensive (loss)	**(1,726)**	-	-
	2,085,179	570,833	384,661
	$ **2,381,382**	$ 880,766	$ 444,138

Nature and continuance of operations (Note 1)
Commitments (Note 16)
Subsequent events (Note 21)

Approval on behalf of the Board of Directors:

"Steven Williams" — Director

"David Hodge" — Director

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

Pasinex Resources Limited
(Formerly Triple Dragon Resources Inc.)
(An exploration stage company)

Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended March 31,
As expressed in Canadian dollars

	2012	2011
Expenses		
Administrative fees (Note 17)	**$ 60,000**	$ 82,500
Advertising and promotions	**6,472**	1,015
Amortization	**3,317**	-
Consulting and management fees (Note 17)	**79,096**	-
Office and general	**20,097**	308
Professional fees	**50,926**	16,317
Project investigation costs	**143,697**	-
Transfer agent and regulatory authorities fees	**15,247**	12,384
Travel and meals	**11,846**	3,694
	(390,698)	(116,218)
Other income (expenses)		
Unrealized gain (loss) on marketable securities	**(195,000)**	150,000
Gain on sale of property	**-**	160,997
Other income	**43**	143
Foreign exchange gain	**1,324**	-
Impairment of mineral properties	**(169,460)**	-
	(363,093)	311,140
Income (loss) before income tax provision	**(753,791)**	194,922
Income tax expenses (recovery)	**(18,750)**	18,750
Net income (loss) for the year	**(735,041)**	176,172
Other comprehensive income (loss)		
Currency translation adjustment	**(1,726)**	-
Comprehensive income (loss) for the year	**(736,767)**	176,172
Basic and diluted earnings (loss) per share	**$ (0.03)**	$ 0.01
Weighted average number of common shares outstanding – basic and diluted	**26,014,888**	24,501,474

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

Pasinex Resources Limited
(Formerly Triple Dragon Resources Inc.)
(An exploration stage company)

Consolidated Statements of Changes in Shareholders' Equity
As expressed in Canadian dollars

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Accumulated other comprehensive (loss)	Total
Balance, April 1, 2010 (Note 22)	**24,425,000**	**$ 2,648,250**	**$ 751,465**	**$ (3,015,054)**	$ -	**$ 384,661**
Shares issued for properties (Note 12)	86,956	10,000	-	-	-	10,000
Net income for the year	-	-	-	176,172	-	176,172
Balance, March 31, 2011 (Note 22)	**24,511,956**	**2,658,250**	**751,465**	**(2,838,882)**	-	**570,833**
Shares issued for properties (Note 12)	100,000	15,000	-	-	-	15,000
Private placement (Note 14)	20,765,149	2,076,515	-	-	-	2,076,515
Share issued for asset acquisition (Note 6)	2,770,000	277,000	-	-	-	277,000
Share issue costs (Note 14)	-	(197,157)	79,755	-	-	(117,402)
Currency translation adjustment	-	-	-	-	(1,726)	(1,726)
Net loss for the year	-	-	-	**(735,041)**	-	(735,041)
Balance, March 31, 2012	**48,147,105**	**$ 4,829,608**	**$ 831,220**	**$ (3,573,923)**	**$ (1,726)**	**$ 2,085,179**

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

Pasinex Resources Limited
(Formerly Triple Dragon Resources Inc.)
(An exploration stage company)

Consolidated Statements of Cash Flows
As expressed in Canadian dollars

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the year	**$ (735,041)**	$ 176,172
Adjustment for items not involving cash:		
Gain on sale of property	**-**	(160,997)
Unrealized gains on marketable securities	**195,000**	(150,000)
Amortization	**3,317**	-
Impairment of mineral property	**169,460**	-
Deferred income tax (recovery) expenses	**(18,750)**	18,750
Project investigation costs	**123,923**	-
Changes in non-cash operating working capital:		
HST/VAT receivable	**(21,968)**	12,785
Other receivables	**(574)**	-
Prepaid expenses and deposits	**(173,386)**	-
Accounts payable and accrued liabilities	**(80,512)**	(20,844)
Due to related parties	**97,448**	117,683
Net cash flows from (used in) operating activities	**(441,083)**	(6,451)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Exploration and evaluation assets	**(55,396)**	(288)
Equipment acquisitions	**(69,466)**	-
Cash acquired from asset acquisition, net of $17,000 cash paid	**125,538**	-
Mineral property held for sale	**-**	(8,432)
Net cash flows from (used in) investing activities	**676**	(8,720)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares for cash, net of share subscription receivable	**1,926,515**	-
Share issue costs	**(117,402)**	-
Net cash flows from (used in) financing activities	**1,809,113**	-
Increase (decrease) in cash and cash equivalents	**1,368,706**	(15,171)
Effect of exchange rate on cash and cash equivalents	**(1,031)**	-
Cash and cash equivalents, beginning of year	**4,855**	20,026
Cash and cash equivalents, end of year	**$ 1,372,530**	$ 4,855

Supplemental disclosure with respect to cash flows (Note 18)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Pasinex Resources Limited (formerly Triple Dragon Resources Inc.) ("Pasinex" or the "Company") is a publicly listed company incorporated in British Columbia on February 21, 2006, and on August 4, 2006, it continued out of British Columbia and into the British Virgin Islands. On September 21, 2006, the Company changed its principal business activity and developed its business plan to enter the convention industry principally in Macau. On July 10, 2008, in connection with the change of control, the Company continued into British Columbia as a mineral exploration company in the exploration stage, engaged in the acquisition, exploration and development of mineral properties. On March 2, 2012, the Company's major shareholder sold 19% of the Company's issued and outstanding share capital to a total of 3 individuals, effectively changing control of the Company. On February 1, 2012, the Company purchased all the assets of 0886183 B.C. LTD. (a private company incorporated in British Columbia) which includes a company in Turkey, Pasinex Arama ve Medencilik A.S. ("Pasinex Arama"). The Company's shares are listed on the Canadian National Stock Exchange ("CNSX") under the symbol "PSE".

The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

These consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on July 25, 2012.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast substantial doubt on the validity of this assumption. The Company is in the exploration stage and, accordingly, has not yet commenced revenue-producing operations. The Company has incurred losses since inception and the Company has an accumulated deficit as at March 31, 2012 of $3,573,923 (March 31, 2011 - $2,838,882; April 1, 2010 - $3,015,054). The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing required to maintain its operations, and to ultimately attain future profitable operations. Management expects the Company to continue as a going concern and plans to meet any financing requirements through equity financing and seeking other business opportunities to expand the Company's operations. The outcome of these matters cannot be predicted at this time and there are no assurances that the Company will be successful in achieving its goals. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PRESENTATION

a) Statement of Compliance

The consolidated financial statements of the Company for the year ending March 31, 2012, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its financial statements in accordance with pre-changeover Canadian generally accepted accounting principles ("Canadian GAAP"). This is the Company's first annual financial statements prepared in accordance with IFRS. The 2012 consolidated financial statements include an opening statement of financial position as at April 1, 2010, date at which the impact of IFRS transition were recorded against equity, in accordance with the provision of IFRS 1 1 *First-Time Adoption of International Financial Reporting Standards* and the 2011 comparative statements were prepared using the same basis of accounting. The impact of the transition from Canadian GAAP to IFRS is explained in Note 22.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are measured at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the year.
- The estimated useful lives of equipment and the related depreciation;
- The inputs used in accounting for share-based payment expenses;

5. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include the financial statements of the parent company, Pasinex Resources Limited, and its subsidiary listed below:

			Equity Interest	
	Jurisdiction	Nature of Operations	March 31, 2012	March 31, 2011 and April 1, 2010
Pasinex Arama	Turkey	Mineral exploration	99.9975%	Nil

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Pasinex Resources Limited and its subsidiaries are collectively referred to as the "Company". All intercompany transactions, balances and unrealized gains and losses from intercompany transactions have been eliminated upon consolidation

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand; deposits in banks and highly liquid investments with an original maturity of three months or less. There were no cash equivalents as at March 31, 2012 and 2011 and April 1, 2010.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method at the following annual rates:

Computer software	-	2 years
Fixtures and equipments	-	3-10 years
Vehicles	-	4 years

Additions during the year are amortized on a pro-rata basis based on the annual amortization amount.

Exploration and evaluation assets

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral resource properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties are in good standing.

The Company capitalized all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment.

When the carrying value of a property interest expense exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments of the Company's assessment of its ability to sell the property interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time, the Company may acquire or dispose of a mineral property interest, either by an option agreement or an acquisition agreement. As the consideration payable may consist of options, which are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in statement of operations.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the parent company is the Canadian dollar. The functional currency of Pasinex Arama is New Turkish Lira (TRY). The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At year-end, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the year-end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit and loss.

Assets and liabilities of subsidiaries having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting date. Revenues and expenses are translated at average rates for the periods, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. The resulting foreign currency translation adjustments are recognized in other comprehensive income ("OCI").

Financial instruments

Financial Assets

Financial assets are classified into one of the following categories: fair value through profit or loss, loans and receivables, available-for-sale, or held-to-maturity. The classification depends on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. Management determines the classification of its financial asset at initial recognition. The Company's accounting policy for each category is as follows:

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and are classified as current assets. Derivatives are also categorized as at fair value through profit or loss unless they are designated as hedges. Cash and cash equivalents are classified as at fair value through profit or loss and are measured at fair value. Marketable securities are classified as at fair value through profit or loss for those bought and held principally for the purpose of selling them in the near term and are reported at fair value, with unrealized gains and losses recognized in earnings.

(ii) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as "trading" assets, have not been designated at fair value through profit or loss or as available-for-sale and for which the holder may recover substantially all of its initial investment, other than because of credit deterioration. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivable are derecognized or impaired, as well as through the amortization process. Other receivables are classified as loans and receivables. They are recorded at cost, which on initial recognition represents their fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

(iii) Available-For-Sale
Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally of the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale financial assets are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. The Company does not have any financial assets classified as available-for-sales.

(iv) Held-to-maturity
The held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any financial assets classified as held-to-maturity.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment on Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are all classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. The Company's due to related parties, and accounts payable and accrued liabilities are classified as other financial liabilities.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities on an undiscounted basis, using tax rates enacted or substantively enacted at the statement of financial position date.

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 is probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and are priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Warrants

The fair value of warrants is measured at grant date, using the Black-Scholes option pricing model. Warrants issued as a finder's fee is recognized as share issuance costs with a corresponding increase in contributed surplus.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication of impairment, then the asset's recoverable amount is estimated.

An asset's recoverable amount is the higher of an asset's or cash-generating unit s ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Earning/Loss per share

Basic earnings / loss per share is computed by dividing the net income or loss attributable to the owners of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is determined by adjusting the earnings or loss attributable to the owners of the Company and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its resource exploration activities. Canadian income tax law permits the Company to renounce to the flow-through shareholders the income tax attributes of resource exploration costs financed by such shares. Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amounts recognized in common shares and the amount the investor pays for the shares is recognized as other liability which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded prospectively upon renunciation of the related tax benefits, provided it is expected the Company will incur the required eligible expenditures.

When flow-through expenditures are renounced, a portion of the deferred income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of deferred income taxes in the statements of operations and comprehensive loss.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "Look-back" Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, Amendments and Interpretations Not Yet Effective

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures. The Company has not yet assessed the impacts of the standards or determined whether it will adopt the standards early.

IFRS 9 – Financial Instruments
IFRS 9 establishes the requirements for recognizing and measuring financial assets and financial liabilities. This new standard is effective January 1, 2015 with earlier application permitted.

IFRS 10 - Consolidated Financial Statements
IFRS 10 replaces SIC-12: Consolidation – Special Purpose Entities and parts of IAS 27: Consolidated and Separate Financial Statements and establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This new standard is effective January 1, 2013 with earlier application permitted.

IFRS 11 - Joint Arrangements
IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31: Interests in Joint Ventures and SIC 13: Jointly Controlled Entities - Non-Monetary Contributions by Venturers. This new standard is effective January 1, 2013 with earlier application permitted.

IFRS 12 - Disclosure of Interests in Other Entities
IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. This new standard is effective January 1, 2013 with earlier application permitted.

IAS 12 - Income Taxes
IAS 12 addresses the recovery of underlying assets. This amendment is effective for annual periods beginning on or after January 1, 2012 with earlier application permitted.

IAS 28 - Investments in Associates and Joint Ventures
IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This amendment is effective January 1, 2013 with earlier application permitted.

6. ASSETS PURCHASES

Effective February 1, 2012, the Company acquired all the assets of 0886183 B.C. Ltd. for a total consideration of $294,000, which comprised $17,000 in cash and 2,770,000 common shares of the Company at the fair value of $0.10 per share. The acquisition does not meet the definition of a business in accordance with IFRS 3 *business combinations* and is considered as a reimbursement of cash advanced and expenditures incurred by the owners of 0886183 B.C. Ltd. since its incorporation. The expenditures included equipment, prepaid and deposits, the ownership of Pasinex Arama, a newly incorporated company in Turkey (which consisted of equipment and certain liabilities) and project investigation costs. The total purchase price is allocated to cash acquired and expenditures incurred by the owners of 0886183 B.C. Ltd. as follows:

Purchase price:	
Cash (paid)	17,000
Shares (2,770,000 shares issued at $0.10 per share)	277,000
Total consideration	$ 294,000
Allocated to:	
Cash	$ 142,538
Equipment	27,026
Deposit and other receivable	2,169
Trades payable	(1,656)
Project investigation costs *	123,923
Total cash and expenditures acquired	$ 294,000

* Project investigation costs are charged to the Company's operating expenses during the year.

7. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

In accordance with IFRS, the Company shall disclose the comparison of carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements. As of March 31, 2012, March 31, 2011 and April 1, 2010, the fair values of the financial assets and liabilities approximate their carrying amounts.

- Cash and cash equivalents and other receivables approximate their carrying amounts largely due to the short-term maturities of these instruments;
- Marketable securities are measured at fair value based on price quotations at the reporting date.

The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

7. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

	Assets measured at fair value as at March 31, 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
At fair value through profit or loss				
Cash and cash equivalents	1,372,530	-	-	1,372,530
Marketable securities	255,000	-	-	255,000
	1,627,530	-	-	1,627,530

	Assets measured at fair value as at March 31, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
At fair value through profit or loss				
Cash and cash equivalents	4,855	-	-	4,855
Marketable securities	450,000	-	-	450,000
	454,855	-	-	454,855

	Assets measured at fair value as at April 1, 2010			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
At fair value through profit or loss				
Cash and cash equivalents	20,026	-	-	20,026
Marketable securities	-	-	-	-
	20,026	-	-	20,026

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote. The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

7. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings. As at March 31, 2012, the Company had a cash balance of $1,372,530 (March 31, 2011 - $4,855, April 1, 2010 - $20,026) and current liabilities of $296,203 (March 31, 2011 - $291,183, April 1, 2010 - $59,477). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements

c) Market Risk

Market risk consists of currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

i) Currency Risk - Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the development stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. Foreign currency risk also arises from the fluctuation in currency exchange between the Canadian dollar and TRY. The Company is exposed to currency risk with regards to its TRY denominated financial assets and financial liabilities. The Company has not entered into financial instruments to hedge against this risk. A 1% strengthening in Canadian dollar against TRY would have a before-tax effect of $2,435 increase in accumulated other comprehensive income, based on amounts held at year end.

ii) Interest Rate Risk - Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is currently not exposed to interest rate risk.

The Company manages its common shares, stock options and warrants as capital. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its project for the benefit of its stakeholders. The Company is not subject to any externally imposed capital requirement.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of its mineral properties. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business. The properties in which the Company currently has interest are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. In order to facilitate the management of capital and maintenance and development of future mining sites, the Company may issue new equity, incur additional debt, option its properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

8. MARKETABLE SECURITIES

	Number Of Shares	Cost	Unrealized Gain (loss)	Fair Value March 31, 2012	Fair Value March 31, 2011	Fair Value April 1, 2010
Lakeland Resources Inc.	3,000,000	$ 300,000	$ (45,000)	$ 255,000	$ 450,000	$ -
Less current portion	2,550,000	255,000	(38,250)	216,750	247,500	-
Long-term portion	450,000	$ 45,000	$ (6,750)	$ 38,250	$ 202,500	$ -

During the year ended March 31, 2011, the Company received 3,000,000 common shares of Lakeland Resources Inc. ("Lakeland") (formerly Cats Eye Capital Corp.) pursuant to the sale of the CAM property. Lakeland is a junior mineral exploration company listed on the TSX Venture Exchange ("TSX-V"). The fair value of the common shares is measured using the closing market price of $0.085 as at March 31, 2012 (March 31, 2011 - $0.15). The 3,000,000 common shares were issued on August 19, 2010, and are subject to an escrow agreement. 10% of the shares were released from escrow on August 19, 2010, and tranches of 15% were released on February 19, 2011, August 19, 2011, and February 19, 2012. As at March 31, 2012, 1,350,000 (March 31, 2011 - 2,250,000) common shares remained in escrow, of which 450,000 are classified as long-term given the above-mentioned release terms.

9. OTHER RECEIVABLES

The Company's current other receivable consists of:

	March 31, 2012	March 31 2011	April 1, 2010
Share subscription receivable (Note 14)	$ 150,000	$ -	$ -
Other receivables	843		
	$ 150,843	$ -	$ -

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are due to service providers, mainly including management fees, professional fees and consulting fees.

The Company's accounts payable and accrued liabilities consist of:

	March 31, 2012	March 31 2011	April 1, 2010
Accounts payable	$ 40,915	$ 137,250	$ 24,727
Accrued audit fee	20,000	10,000	8,500
Mining license fee payable	6,284	-	-
Other payables	632	-	-
	$ 67,831	$ 147,250	$ 33,227

11. EQUIPMENT

Cost	**Fixtures and Equipments**	**Vehicles**	**Computer Software**	**Total**
April 1, 2010 and March 31, 2011	$ -	$ -	$ -	$ -
Additions	59,518	30,856	5,746	96,120
March 31, 2012	**$ 59,518**	**$ 30,856**	**$ 5,746**	**$ 96,120**
Accumulated depreciation				
April 1, 2010 and March 31, 2011	$ -	$ -	$ -	$ -
Additions	133	311	2,873	3,317
March 31, 2012	**$ 133**	**$ 311**	**$ 2,873**	**$ 3,317**
Net book value				
April 1, 2010	$ -	$ -	$ -	$ -
March 31, 2011	$ -	$ -	$ -	$ -
March 31, 2012	**$ 59,385**	**$ 30,545**	**$ 2,873**	**$ 92,803**

12. EXPLORATION AND EVALUATION ASSETS

	Murray Property	May Property	Burnt Island	Staircase Claims	Turkey	Total
Balance, April , 2010	$174,297	$22,582	$36,197	$45,527	$ -	$ 278,603
Additions during the year –						
Property Acquisition Costs						
Cash	-	-	10,000	-	-	10,000
Shares issued for property	-	10,000	-	-	-	10,000
Property exploration costs						
Assays	-	-	-	7,610	-	7,610
Field supplies and rentals	-	128	773	17,844	-	18,745
Geological expenses	-	2,791	7,513	44,110	-	54,414
Maps and reports	-	-	-	18,722	-	18,722
Travel and accommodation	-	-	1,617	24,047	-	25,664
Total additions during the year	-	12,919	19,903	112,333	-	145,155
Balance, March 31, 2011	$174,297	$35,501	$56,100	$157,860	$ -	$423,758
Additions during the year –						
Property Acquisition costs						
Cash	-	-	10,000	-	-	10,000
Shares issued for property	-	15,000	-	-	-	15,000
Property exploration costs						
Assays	-	-	-	141	-	141
Field supplies and rentals	-	-	-	64	-	64
Geological and field personnel	69	-	130	454	-	653
Maps and reports	-	-	-	10,078	-	10,078
Travel and accommodation	-	-	-	863	-	863
Total additions during the year	69	15,000	10,130	11,600	-	36,799
Impairment of mineral properties	-	-	-	(169,460)	-	(169,460)
Prepayment and deposits for mining claims	-	-	-	-	35,394	35,394
Balance, March 31, 2012	$174,366	$50,501	$66,230	$ -	$ 35,394	$326,491

As at March 31, 2012, the Company continues to hold the following properties in Canada:

Murray Property

The Company acquired a 100% interest in one mineral claim northeast of Yellowknife, Northwest Territories, known as the Murray Property pursuant to a Mineral Property Acquisition Agreement dated April 17, 2008, between the Company and Zimtu Capital Corp. ("Zimtu"). The Company acquired the Property for $15,509 cash. There was a 1% net smelter return royalty and a 1% gross overriding royalty on the Property, in favour of the original vendor of the property, which was relinquished on May 7, 2009. Zimtu is a related party to the Company by virtue of a common director and officer, as well as by virtue of its controlling share position in the Company.

May Property

On May 14, 2009, the Company acquired a 100% interest in a mineral lease comprising approximately 100.5 acres in the Northwest Territories known as the May Property from a third party. The May Property was acquired for total consideration of $5,500 cash (paid) and the issuance of $10,000 of common shares (issued) of the Company on May 14, 2010, and a further $15,000 of common shares of the Company to be issued by May 14, 2011 (issued). There is a 2% net smelter return royalty on the Property payable to the Vendor upon the commencement of commercial production.

12. EXPLORATION AND EVALUATION ASSETS (continued)

Burnt Island Property

On August 11, 2009, the Company entered into a Mineral Property Option Agreement ("Agreement") to purchase a 100% interest in two mineral claims in the Gordon Lake area of the Northwest Territories, known as the Burnt Island Property. Per the Agreement, the Company shall pay to the Vendor the following:

- $10,000 cash within 5 days of signing the agreement (paid)
- $10,000, in either cash or shares, for every year that the Company holds the option ($10,000 paid August 11, 2010 and $10,000 paid February 9, 2012).

There is a 3% net smelter return royalty on the Property payable to the Optionor upon the commencement of commercial production.

Staircase Claims

On November 9, 2009, the Company acquired a 100% interest in 83 mineral claims located north of Prince George, B.C. comprising approximately 36,600 hectares. The Company purchased the claims from Radius Gold Inc. for $30,000 (paid) and paid $830 to have the claims transferred to their name. During the year ended March 31, 2011, the Company renewed 31 of the 83 Staircase mineral claims. The Company allowed 52 mineral claims to lapse. During the year ended March 31, 2012, the Company decided to let the remaining claims lapse and wrote off the property.

Properties Held in Turkey

On May 14, 2012, the Company acquired, through staking, seven properties in Turkey: Dadak, Bereket, Bahceli, Kuplce, Bursa 1, Bursa 2a and Bursa 2b. The properties are located within the Turkish Provinces of Afyon, Artvin, and Bursa, and were acquired for the potential to host base and precious metals.

13. MINERAL PROPERTY HELD FOR SALE

Mineral property held for sale refers to the Camlaren Property ("CAM Property") that the Company sold during the year ended March 31, 2011:

	March 31, 2012	March 31, 2011	April 1, 2010
Balance, beginning of year	$ -	$ 130,571	$ 130,571
Expenditures incurred prior to sale	-	8,432	-
Sale of property	-	(139,003)	-
Balance, end of year	$ -	$ -	$ 130,571

The CAM Property, consisting of two mineral claims northeast of Yellowknife, Northwest Territory and covering approximately 2,425 acres (981 hectares), is located 80 km northeast of Yellowknife and 6 km east-southeast of the Murray Property. It was originally acquired by staking. Pursuant to a Purchase and Sale Agreement dated April 27, 2010, the Company sold the CAM Property to Lakeland, in consideration for 3,000,000 Lakeland common shares issued at a deemed price of $0.10 per share (also see Note 8).

14. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value.

b) Issued:

During the year ended March 31, 2012

On May 13, 2011, the Company issued 100,000 common shares, valued at $15,000, in accordance with the May Property agreement.

14. SHARE CAPITAL (continued)

On March 9, 2012, the Company completed a non-brokered private placement of 20,765,149 common shares at a price of $0.10 per share for gross proceeds to the Company of $2,076,515. The Company paid finder's fees of $117,402 in connection with the private placement and issued 1,186,011 agent options, priced at $0.10 and expiring on March 9, 2013 (see Note 14 e). As at March 31, 2012, $150,000 of the proceeds had not been received (also see Note 9). The $150,000 share subscription receivable has been fully received subsequent to March 31, 2012.

On March 9, 2012, the Company issued 2,770,000 common shares in relation to the asset acquisition of 0886183 B.C. Ltd. These common shares carry a fair value of $277,000 (also see Note 6).

During the year ended March 31, 2011

On May 14, 2010, the Company issued 86,956 common shares, valued at $10,000, in accordance with the May Property agreement.

c) Shares held in escrow:

There are 4,275,000 common shares of the Company held in escrow.

d) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	March 31, 2012		**March 31, 2011**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	2,000,000	$ 0.25	2,000,000	$ 0.25
Expired (1,000,00 expired on December 31, 2011, and 1,000,000 expired on January 21, 2012)	(2,000,000)	$ 0.25	-	-
Balance, end of year	-	-	2,000,000	$ 0.25

There were nil warrants outstanding and exercisable as at March 31, 2012.

e) Agent Warrants

The following agent warrants were outstanding and exercisable at March 31, 2012 and 2011:

Expiry Date	Exercise Price	Number of Agent's Warrants **2012**	**2011**
March 9, 2013	$0.10	1,186,011	-
Weighted average outstanding life of warrants		0.94 years	-

14. SHARE CAPITAL (continued)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. Accordingly, share issue costs of $79,755 (March 31, 2011 - $nil) were recognized during the year ended March 31, 2012.

The fair value of each agent option grant was calculated using the following weighted average assumptions:

	2012	2011
Expected life (years)	1.00	2.00
Interest rate	1.17%	1.67%
Volatility	75%	107%
Dividend yield	N/A	N/A
Weighted average grant date fair value	$0.07	$0.06

15. SHARE-BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of five years.

The following is a summary of option transactions under the Company's stock option plan for the years ended March 31, 2012 and 2011:

	2012		2011	
	Number of Options	Weighted Average Exercise Price	Number Options	Weighted Average Exercise Price
Balance, beginning of year	2,442,500	$ 0.21	2,442,500	$ 0.21
Cancelled	(1,071,250)	$ 0.20	-	-
Balance, end of year	1,371,250	$ 0.21	2,442,500	$ 0.21

The following stock options were outstanding and exercisable as at March 31, 2012:

Expiry Date	Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life (Years)
June 11, 2013	$ 0.20	1,121,250	0.98
February 3, 2014	$ 0.25	250,000	2.84
	$ 0.21	1,371,250	1.32

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the year ended March 31, 2012, the Company recorded $nil (2011 - $nil) in share-based payments expense.

16. COMMITMENTS

On May 15, 2008, the Company signed a management services agreement with Zimtu Capital Corp. ("Zimtu") for the provision of administrative and managerial services to the Company for a period of 12 months. On November 30, 2008, the Company revised the agreement to reduce the fee from $25,000 per month to $12,500 per month commencing December 1, 2008, for the duration of the agreement. During the year ended March 31, 2011, the agreement was extended for a further 12 month term, until May 15, 2011 and the monthly remuneration to be paid to Zimtu for these services was at the rate of $5,000 per month. During the year ended March 31, 2012, this agreement continued on a month to month basis at a rate of $5,000 per month. Subsequent to the year ended March 31, 2012, the Company signed an agreement for one year, at a rate of $12,500 per month, expiring on April 30, 2013.

17. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount.

	Year ended March 31,	
Related Party Transactions	**2012**	**2011**
Administration fees	60,000	82,500
Management and consulting fees	79,096	-
Total	139,096	82,500

Amounts Due to (from) Related Parties	**March 31, 2012**	**March 31, 2011**
Zimtu Capital Corp.	222,983	126,125
Clinton Smyth	5,389	-
Commerce Resources Corp.	-	17,808
Total Amount Payable	228,372	143,933
Baris Yildirim	157,476	-
Prepaid insurance expenses	2,146	-
Total Prepaid Expenses and Deposits	159,622	-

Zimtu Capital Corp. ("Zimtu") is related by way of common directorship with a director of the Company and provides monthly administrative and managerial services.

Steven Williams is the President, and a Director of the Company. Clinton Smyth and Baris Yildirim are also Officers of the Company.

Included in prepaid expenses and deposits is $157,476 held by Baris Yildirim as of March 31, 2012 as the financial proof in connection with the Company's property license applications in Turkey. The deposit was fully returned to the Company subsequently.

Commerce Resources Corp. ("Commerce") is related by way of common directorship. Commerce reimbursed a third party for mineral property costs incurred by the Company in 2011. The amount was repaid in 2012.

These transactions are in the normal course of operations and have been valued in these financial statements at the amount of consideration established and agreed to by the related parties.

See also Note 16.

18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	March 31, 2012	March 31, 2011
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Agent warrants granted	$ 79,755	$ -
Shares issued for property	$ 15,000	$ 10,000

19. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2012	2011
Net income (loss) before income taxes:	**$ (735,041)**	$ 194,922
Income tax at statutory rates of 26.5% (2010 - 30%)	**(194,786)**	51,654
Changes in enacted rates	**10,710**	(4,850)
Permanent differences and other	**21,594**	36,836
Rate differences in other jurisdiction	**6,483**	-
Other items	**(30,966)**	(80,450)
Loss carry forward utilized	**(30,392)**	(3,190)
Change in valuation allowance	**198,607**	18,750
Total income tax expenses (recovery)	**$ (18,750)**	$ 18,750

Details of deferred income tax assets are as follows:

	2012	2011
Deferred income tax assets (liabilities):		
Non-capital losses available for future periods	**$ 466,874**	$ 335,290
Benefit of share issuance costs	**23,446**	4,650
Equipment	**388**	-
Marketable securities	**5,625**	(18,750)
Mineral Properties	**(63,574)**	(105,939)
Valuation allowance	**(432,759)**	(234,001)
Net future income tax assets (liability)	**$ -**	$ (18,750)

The Company has non-capital losses of approximately $1,874,000 (2011 - $1 340,000), which may be carried forward and applied against taxable income in future years. If not utilized, the non-capital losses would expire in 2026 to 2030. The benefits of these losses have not been reflected in these financial statements and have been offset by a valuation allowance since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future year.

The losses expire as follows:

2026	$ 79,000
2027	117,000
2028	132,000
2029	376,000
2030	648,000
2031	111,000
2032	411,000
	$ 1,874,000

20. SEGMENT INFORMATION

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on the location:

	March 31, 2012	March 31, 2011	April 1, 2010
Non-current assets by geographic segment			
Canada	$ 375,821	$ 626,258	$ 409,174
Turkey	81,723		-
	$ 457,544	$ 626,258	$ 409,174

21. SUBSEQUENT EVENTS

On June 28, 2012, the Company announced that its wholly-owned Turkish subsidiary, Pasinex Arama ve Madencilik AS, has signed a non-binding Letter of Intent ("LOI") with a Turkey based miner, Akmetal Madencilik Sanayi ve Ticaret A.S. ("Akmetal"), to form a 50 / 50 joint venture to explore for zinc and other associated commodities in the region between and around Horzum and Tufanbeyli, Adana Province, Turkey. Under the terms of the LOI it is proposed that a new joint venture company will be formed and held 50 / 50 by the two parties and will be controlled by a board consisting of equal representatives of both Pasinex and Akmetal. Both partners will equally fund exploration and other general costs associated to the joint venture's course of business.

On July 19, 2012, the Company signed an option agreement with Eurasian Minerals Inc. (TSXV : EMX NYSE MKT : EMXX) ("Eurasian") and its wholly owned Turkish subsidiary, Eurasia Madencilik Ltd. STI, whereby Pasinex, through its wholly owned Turkish subsidiary, Pasinex Arama Ve Madencilik AS ("Pasinex Turkey"), can acquire a 100%-interest in the Golcuk Property ("Golcuk") located in northeast Turkey. Under the Agreement, Golcuk will be forthwith transferred to Pasinex Turkey and as consideration Pasinex will issue to Eurasian Pasinex common shares as follows: (i) 500,000 shares within five (5) days after the granting of the extension (the "Initial Issuance Date"); (ii) 500,000 common shares on the one year anniversary of the Initial Issuance Date; (iii) 1,000,000 common shares on the two year anniversary of the Initial Issuance Date; and (iv) 1,000,000 common shares on the three year anniversary of the Initial Issuance Date, for a total of 3,000,000 Pasinex common shares. Eurasian will retain a 2.9% Net Smelter Royalty on Golcuk which Pasinex has the option of buying down to 2% within six years of the Agreement date for consideration of $1,000,000. Additionally, Pasinex will be required to complete minimum work commitments on the project as follows: (i) $200,000 before the one year anniversary of the date of the transfer of Golcuk to Pasinex Turkey (the "Completion Date"); (ii) $250,000 before the two year anniversary of the Completion Date; and (iii) $250,000 before the end of the four year anniversary of the Completion Date.

Also see Note 14b and 16.

22. FIRST TIME ADOPTION OF IFRS

These consolidated financial statements are the first annual financial statements being prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was April 1, 2010 (the "Transition Date"). IFRS 1 requires first time adopters to retrospectively apply all the effective IFRS standards as of the reporting date of March 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to the transition to IFRS, the Company prepared its financial statements in accordance with Canadian GAAP.

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP.

22. FIRST TIME ADOPTION OF IFRS (continued)

The Company has applied the following exemptions to its opening statement of financial position dated April 1, 2010:

a) *Business Combinations*
IFRS1 indicates that a first-time adopter may elect not to apply IFRS 3 *'Business Combinations'* retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and will apply IFRS 3 to business combinations that occur on or after April 1, 2010. There is no adjustment required to the April 1, 2010 statement of financial position on the transition date.

b) *Share-based Payments*
IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 *Share-based Payments* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to April 1, 2010.

c) *Consolidated and Separate Financial Statements*
In accordance with IFRS 1, if a company elects to apply IFRS 3 *'Business Combinations'* retrospectively, IAS 27 Consolidated and Separate Financial Statements must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

d) *Decommissioning Liabilities*
The Company has elected to apply the exemption from full retrospective application of decommissioning provisions as allowed under IFRS 1. As a result, the Company has re-measured the provisions at April 1, 2010 under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and estimated the amount to be included in the cost of the related asset by discounting the liability to the date at which the liability first arose.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated April 1, 2010:

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, some differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has resulted in no reclassifications in the Company's reported financial position as at April 1, 2010, and March 31, 2011, neither in the Company's statements of operations and comprehensive income and cash flows for the year ended March 31, 2011.

i) Reconciliation of Shareholders' Equity as Reported Under Canadian GAAP and IFRS

The transition from Canadian GAAP to IFRS required no change to shareholders' equity as of April 1, 2010 and March 31, 2011.

ii) Reconciliation of Cash Flows as reported under Canadian GAAP to IFRS

The transition from Canadian GAAP to IFRS required no change to cash flows for the year ended March 31, 2011.

iii) Reconciliation of Assets and Liabilities as reported under Canadian GAAP to IFRS

The transition from Canadian GAAP to IFRS required no change to the reported asset and liability balances as of April 1, 2010 and March 31, 2011.

22. FIRST TIME ADOPTION OF IFRS (continued)

iv) Reconciliation of Other Comprehensive Income as reported under Canadian GAAP to IFRS

The transition from Canadian GAAP to IFRS required no change to other comprehensive income for the year ended March 31, 2011.