GTA RESOURCES AND MINING INC.

Financial Statements

March 31, 2012 and 2011

(Expressed in Canadian Dollars)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of GTA Resources and Mining Inc. and the Management Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors. The financial statements necessarily include some amounts that are based on management's best estimates, which have been made using careful judgement.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. Financial and operating data elsewhere in the Management Discussion and Analysis are consistent with the information contained in the financial statements.

In fulfilling their responsibilities, management of GTA Resources and Mining Inc. has developed and continue to maintain systems of internal accounting controls, and segregation of duties and responsibilities whenever possible.

Although no cost effective system of internal control will prevent or detect all errors and irregularities, these systems are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, transactions are properly recorded and the financial records are reliable for preparing the financial statements.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee, consisting of a majority of non-executive directors. The Audit Committee meets periodically with management and with the external auditors to discuss the results of audit examinations with respect to the adequacy of internal accounting controls, and to review and discuss the financial statements and financial reporting matters.

The financial statements have been audited by Grant Thornton LLP, who have full access to the Audit Committee, with and without the presence of management.

(signed)
Peter M. Clausi
President and Chief Executive Officer

(signed)
Brian Crawford
Chief Financial Officer

Burlington, Ontario
July 17, 2012

Grant Thornton

Independent auditor's report

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To the Shareholders of GTA Resources and Mining Inc.,

We have audited the accompanying financial statements of GTA Resources and Mining Inc. which comprise the statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010, and the statements of operations and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 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.

Grant Thornton

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 financial statements present fairly, in all material respects, the financial position of GTA Resources and Mining Inc. as at March 31, 2012, March 31, 2011, and April 1, 2010, and its financial performance and its cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Burlington, Canada
July 17, 2012

Chartered Accountants
Licensed Public Accountants

GTA RESOURCES AND MINING INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Years ended March 31, 2012 and 2011
(Expressed in Canadian Dollars)

	March 31, 2012	March 31, 2011 (Note 15)	April 1, 2010 (Note 15)
Assets			
Current assets			
Cash and cash equivalents (Note 3)	$ 6,258,609	$ 535,436	$ 239,582
Sales tax receivable	133,287	43,789	2,491
Loan receivable (Note 4)	-	-	49,215
Prepaid expenses	41,451	9,115	16,396
	6,433,347	588,340	307,684
Property and equipment (Note 5)	17,506	1,013	-
Exploration and evaluation assets (Note 6)	1,966,026	1,209,657	-
	$ 8,416,879	$ 1,799,010	$ 307,684
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	$ 302,041	$ 44,135	$ 29,338
Liability for flow-through shares	644,215	33,760	-
	946,256	77,895	29,338
Shareholders' equity			
Share capital (Note 7)	8,213,072	2,198,865	547,978
Contributed surplus (Note 7)	1,452,754	175,180	48,643
Deficit	(2,195,203)	(652,930)	(318,275)
	7,470,623	1,721,115	278,346
	$ 8,416,879	$ 1,799,010	$ 307,684

Approved by the Board of Directors

"Peter M. Clausi"
____
Director

"Brian Crawford"
____
Director

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

GTA RESOURCES AND MINING INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Years ended March 31, 2012 and 2011
(Expressed in Canadian Dollars)

	2012	**2011**
Operating expenses		
Filing and transfer agent fees	$ 47,000	$ 20,124
General and administration costs	361,952	168,740
Professional fees	62,937	30,807
Share-based compensation	1,159,305	125,887
Depreciation	507	337
	1,631,701	345,895
Loss before income taxes	1,631,701	345,895
Deferred tax benefit (Note 10)	(89,428)	(11,240)
Net loss and comprehensive loss	$1,542,273	$ 334,655
Basic and diluted loss per share	$ (0.11)	$ (0.03)
Weighted average number of shares outstanding	14,160,658	10,998,033

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

GTA RESOURCES AND MINING INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Years Ended March 31, 2012 and 2011
(Expressed in Canadian Dollars)

	Number of Shares	Common Shares Issued and Fully Paid	Contributed Surplus	Accumulated Deficit	Total
Balance, April 1, 2010	4,446,502	$ 547,978	$ 48,643	$ (318,275)	$ 278,346
Shares issued for cash:					
Private placements	3,375,000	675,000	-	-	675,000
Share issuance costs	-	(38,434)	-	-	(38,434)
Shares issued for exploration and evaluation assets	5,074,855	1,014,971	-	-	1,014,971
Additional broker warrants issued		(650)	650		-
Share-based compensation	-	-	125,887	-	125,887
Loss and comprehensive loss	-	-	-	(334,655)	(334,655)
Balance, March 31, 2011	12,896,357	2,198,865	175,180	(652,930)	1,721,115
Stock options exercised	100,000	-	-	-	-
Shares issued for exploration and evaluation assets	1,000,000	205,000	-	-	205,000
Private placements	6,408,166	6,080,698	-	-	6,080,698
Share issue costs	-	(547,095)	-	-	(547,095)
Broker warrants issued	-	(196,678)	196,678	-	
Options exercised	647,000	129,400	-	-	129,400
Transfer of contributed surplus on exercise of options	-	78,409	(78,409)	-	-
Warrants exercised	3,181,732	964,356	-	-	964,356
Flow-through share premium	-	(699,883)	-	-	(699,883)
Loss and comprehensive loss	-	-	-	(1,542,273)	(1,542,273)
Share-based compensation	-	-	1,159,305	-	1,159,305
Balance, March 31, 2012	24,233,255	$ 8,213,072	$ 1,452,754	$ (2,195,203)	$ 7,470,623

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

GTA RESOURCES AND MINING INC.
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2012 and 2011
(Expressed in Canadian Dollars)

	2012	2011
Operating activities		
Net loss and comprehensive loss for the period	$ (1,542,273)	$ (334,655)
Items not affecting cash and cash equivalents		
Deferred income tax	(89,428)	(11,240)
Depreciation	507	337
Share-based payments	1,159,305	125,887
Non-cash interest on loan receivable	-	(785)
Change in non-cash working capital:		
Sales tax receivable	(89,498)	(41,298)
Prepaid expenses	(32,336)	7,281
Accounts payable and accrued liabilities (Note 14)	257,906	14,797
Net cash used in operating activities	(335,817)	(239,676)
Financing activities		
Issuance of common shares, net of issue costs	6,627,359	681,566
Net cash provided by financing activities	6,627,359	681,536
Investing activities		
Investment in and expenditures on exploration and evaluation assets	(551,369)	(194,686)
Repayment of loan receivable	-	50,000
Purchase of property and equipment	(17,000)	(1,350)
Net cash used in investing activities	(568,369)	(146,036)
Net change in cash and cash equivalents	5,723,173	295,854
Cash and cash equivalents, beginning of year	535,436	239,582
Cash and cash equivalents, end of year	$ 6,258,609	$ 535,436

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

1. NATURE OF OPERATIONS AND GOING CONCERN

GTA Resources and Mining Inc. ("GTA" or the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 9, 2006 under the name GTA CorpFin Capital Inc. with the intent to being classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange"). On June 21, 2010 the Exchange issued its Final Exchange Bulletin approving the Company's Qualifying Transaction, as the term is defined within the Exchange's corporate finance manual. In June 2010, the Company changed its name to GTA Resources and Mining Inc. from GTA CorpFin Capital Inc. The address of the Company's registered office is 855 Brant Street, Burlington, Ontario L7R 2J6.

The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be a development stage company.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and conversion to International Financial Standards

These financial statements are the Company's first annual financial statements prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP"). The disclosures required by the provisions of IFRS 1, "First-time adoption of International Financial Reporting Standards", explaining how the transition to IFRS has affected the reported financial performance, cash flows and financial position of the Company, are presented in Note 15.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. They also have been applied in preparing an opening IFRS statement of financial position at April 1, 2010 (Note 15) for the purposes of the transition to IFRS, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from CGAAP to IFRS is explained in Note 15.

The policies applied in these financial statements are based on IFRS issued and effective as of March 31, 2012. The Board of Directors approved the financial statements on July 17, 2012.

Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional Currency

The presentation currency of the Company and the functional currency of the Company is the Canadian dollar.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the rates of depreciation for property, the collectability of the sundry accounts receivable, the valuation of other assets and accruals, the impairment and recoverability of non-financial assets, the assumptions used in the determination of the fair value of financial instruments and stock-based compensation, and the determination of the valuation allowance for deferred income tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Financial Instruments

Financial assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash and cash equivalents	Loans and receivables

Financial liabilities:	Classification:
Amounts payable and other liabilities	Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of a financial asset is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to income. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of income (loss) and comprehensive income (loss) to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the reliability of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2012, March 31, 2011 and April 1, 2010, none of the Company's financial instruments are recorded at fair value on the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks, and other short-term highly liquid investments.

Mineral Exploration and Evaluation Assets

Acquisition costs for exploration and evaluation assets are capitalized and include the cash consideration paid and the fair value of common shares issued on acquisition, based on the trading price of the shares on the date of the agreement to issue the shares.

The Company is in the exploration stage with respect to its investment in mineral properties and follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

Property and Equipment

Recognition and measurement

On initial recognition, property and equipment are recorded at cost, being the purchase price and directly attributable cost of acquisition of construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Property and equipment is subsequently carried at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Depreciation

Depreciation is recognized in profit or loss at the following annual rate:

Computer software	50% declining balance basis
Equipment	three year straight line

Additions during the year are depreciated at one-half the annual rates.

Depreciation methods, useful lives and residual values are reviewed at a minimum at each financial year-end and adjusted if appropriate.

Impairment of Non-financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

Reversal of Impairment

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, if no impairment loss had been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at March 31, 2012, March 31, 2011 and April 1, 2010 as the disturbance to date is minimal.

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax basis, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share-Based Payments

The fair value of share options granted to employees at the date of grant is recognized as an expense over the vesting period with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by a direct employee, including directors of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

In situations where share options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identified goods or services received at the grant date.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate.

All equity settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Share Capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Commissions paid to agents, and other related share issue costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to common shares issued in the private placements at their fair value as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded as warrants in shareholders' equity. Share issue costs are netted against share proceeds on a pro rata basis.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to the individual investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the premium liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. Any resulting deferred tax as a result of tax rate differential is recognized as a deferred tax recovery or expense.

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 portion of the proceeds received but not yet expended at the year end is disclosed separately as flow-through share liability in Note 14.

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.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

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.

The Company had no material provisions at March 31, 2012, March 31, 2011 and April 1, 2010.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after April 1, 2012. 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”) is a partial replacement of 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 April 1, 2015.

(ii) IFRS 10 Consolidated Financial Statements (“IFRS 10”) requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.* The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(iii) IFRS 11 Joint Arrangements ("IFRS 11") requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*. The Company is yet to assess the full impact of IFRS 11 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

(iv) IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") establishes disclosure requirements for interests in other entities, such as joint arrangements, associates special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The Company is yet to assess the full impact of IFRS 12 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

(v) IFRS 13 Fair Value Measurement ("IFRS 13") is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

(vi) IAS 28 Investments in Associates and Joint Ventures: IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures. Early application is permitted.

(vii) IAS 1 Presentation of Financial Statements: In June 2011, the IAS issued amendments to IAS 1 that requires an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012, with earlier adoptions permitted.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Cash at bank	$ 558,609	$ 535,436	$ 239,582
Guaranteed investment certificates	5,700,000	-	-
	$ 6,258,609	$ 535,436	$ 239,582

4. LOAN RECEIVABLE

A non-interest bearing loan of $200,000, secured by land, was advanced in December 2007 in connection with a subsequently failed Qualifying Transaction.

The proceeds from the sale of the land were less than the total amount of debt for which the land was used as security resulting in a shortfall in the principal amount of the loan. As a result of the shortfall the Company received cash proceeds in the amount of $100,000, a promissory note for $50,000 and realized a loss in the amount of $50,000.

Payment of the promissory note was received by the Company during the year ended March 31, 2011.

5. PROPERTY AND EQUIPMENT

	Computer Software	Equipment	Total
Cost			
Balance April 1, 2010	$ -	$ -	$ -
Additions	1,350	-	1,350
Balance March 31, 2011	1,350	-	1,350
Additions	-	17,000	17,000
Balance March 31, 2012	$ 1,350	$ 17,000	$ 18,350
Accumulated depreciation			
Balance April 1, 2010	$ -	-	$ -
Depreciation expense	337	-	-
Balance March 31, 2011	337	-	337
Depreciation expense	507	-	507
Balance March 31, 2012	$ 844	$ -	$ 844

5. PROPERTY AND EQUIPMENT - continued

Carrying amounts:

At April 1, 2010	$ -	$ -	$ -
At March 31, 2011	$ 1,013	$ -	$ 1,013
At March 31, 2012	$ 506	$ 17,000	$ 17,506

6. EXPLORATION AND EVALUATION ASSETS

	Auden Property	Northshore Property	Total
Balance, April 1, 2010	$ -	$ -	$ -
Acquisition costs	1,153,457	-	1,153,457
Deferred exploration costs	56,200	-	56,200
Balance, March 31, 2011	1,209,657	-	1,209,657
Acquisition costs	-	215,000	215,000
Deferred exploration costs	19,075	522,294	541,369
Balance, March 31, 2012	$ 1,228,732	$ 737,294	$ 1,966,026

Auden

On June 21, 2010, the Company completed the acquisition of the Auden property located in Northern Ontario from 1518164 Ontario Inc., an unrelated party. Pursuant to the terms of the Acquisition Agreement, the Company acquired a 100% interest in and to the Auden Property in consideration for the issuance of 5,074,855 common shares. The acquisition of the Auden Property constituted the Company's Qualifying transaction, as that term is defined in the TSX Venture Exchange policies.

The Auden property is subject to a 3% net smelter return and a 10% gross overriding in royalty in favour of the shareholders of the previous owner of the claims. The Company may purchase one-half of each royalty for an aggregate amount of $2,000,000 at any time.

As at March 31, 2012, the Auden property consisted of 107 unpatented mining claims comprising 1,596 claim units covering 24,799 hectares in a largely contiguous block. The Company is required by the Ministry of Northern Development and Mines to incur annual qualifying exploration and development expenditures in order to maintain its unpatented claims in good standing. As at March 31, 2012, the Company believes it has incurred the required amount of expenditures.

6. EXPLORATION AND EVALUATION ASSETS - continued

Northshore

On July 27, 2011 the Company and Balmoral Resources Ltd. entered into an Option Agreement whereby the Company has been granted the right to acquire up to a 70% interest in Balmoral's interest in the Northshore Property.

Under the terms of the Option Agreement, the Company may earn an initial 51% interest ("First Option") in the Northshore Property by making cash payments to Balmoral of $50,000, issuing in favour of Balmoral 2,500,000 common shares of GTA and incurring a minimum of $2,500,000 in eligible exploration expenditures on the Property over a three-year period from receipt of regulatory approval. A cash payment of $10,000, issuance of 1,000,000 shares and a year one exploration expenditure of $350,000 (including the production of a 43-101 technical report) are firm commitments by GTA under the Option Agreement. The initial cash payment of $10,000 and the issuance of 1,000,000 common shares were recorded during the year. In addition the Company has incurred exploration expenditures of $522,294 to March 31, 2012.

Upon exercise of the First Option outlined above, the Company will have the right to elect to proceed with a Second Option, under which the Company would have the ability to earn an additional 19% interest in the Northshore Property by making an additional cash payment of $100,000, issuing an additional 1,000,000 shares in favour of Balmoral upon exercising its right and incurring additional exploration expenditures totalling $3,000,000 over an additional 24 month time frame.

A portion of the property is subject to a variable (2% to 5%) net smelter return royalty on gold production from the claims.

The Company and Balmoral after the exercise of either the first or second options will form a joint venture for future development of the property.

On a quarterly basis, management of the Company review exploration costs to ensure mining property interests include only costs and projects that are eligible for capitalization.

7. SHARE CAPITAL

Authorized
Unlimited number of common shares

Issued

	Number of Shares	Share Capital	Contributed Surplus
Balance April 1, 2010	4,446,502	$ 547,978	$ 48,643
Proceeds from share issuance	3,375,000	720,000	-
Shares issued for exploration and evaluation assets	5,074,855	1,014,971	-
Finders warrants		(650)	650
Flow-through share premium		(45,000)	
Share issue costs		(38,434)	-
Share-based payments		-	125,887
Balance March 31, 2011	12,896,357	2,198,865	175,180
Stock options exercised	100,000	-	-
Shares issued for exploration and evaluation assets	1,000,000	205,000	-
Proceeds from share issuance	6,408,166	6,080,698	-
Options exercised	647,000	129,400	-
Warrants exercised	3,181,732	964,356	-
Transfer from contributed surplus on exercise of options		78,409	(78,409)
Finders warrants		(196,678)	196,678
Share issue costs		(547,095)	-
Flow-through share premium		(699,883)	-
Share-based compensation		-	1,159,305
Balance March 31, 2012	24,233,255	$ 8,213,072	$ 1,452,754

On June 21, 2010, the Company completed a private placement for gross proceeds of $720,000.

The private placement consisted of 900,000 Flow-Through Units at $0.25 per Flow-Through Unit for gross proceeds of $225,000, and 2,475,000 Units at $0.20 per Unit for gross proceeds of $495,000. Each Flow-Through Unit consists of one common share, issued on a flow -through basis, and one warrant of the Company. Each Unit consists of one common share and one warrant of the Company. Each warrant entitles the holder to purchase one common share at a price of $0.30 until June 11, 2012.

Compensation to the agents consisted of a cash commission of $9,000 and 12,000 agent's warrants, each such agent's warrant entitling the holder to acquire one common share for $0.30 until June 21, 2011. The agent's warrants were valued on the date of issue using the modified Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 0.25%, expected volatility of 100% and an expected life of 12 months. The value attributed to the 12,700 agent's warrants was $650.

On June 21, 2010, the Company issued 5,074,855 common shares as consideration to purchase the Auden property.

7. SHARE CAPITAL - continued

On June 1, 2011 the Company entered into an agreement with respect to two mining claims, whereby a portion of the purchase price for the mining claims was the issuance of 250,000 common shares as follows:

- 50,000 common shares upon approval from the TSX Venture Exchange (the "approval date")
- 50,000 common shares six months from the approval date
- 50,000 common shares twelve months from the approval date
- 50,000 common shares eighteen months from the approval date
- 50,000 common shares twenty four months from the approval date.

As of March 31, 2012 the Company has issued 100,000 common shares with respect to the two mining claims.

On October 3, 2011 the Company issued 1,000,000 common shares as consideration to acquire its initial interest in the Northshore Property.

On December 23, 2011 the Company completed a private placement for gross proceeds of $157,000. The private placement consisted of 166,668 Flow-Through Units at $0.30 per Flow-Through Unit for gross proceeds of $50,000, and 428,000 Units at $0.25 per Unit for gross proceeds of $107,000. Each Flow-Through Unit consists of one common share, issued on a flow-through basis, and one half warrant of the Company. Each Unit consists of one common share and one half warrant of the Company. Each warrant entitles the holder to purchase one common share at a price of $0.35 until December 23, 2012.

Compensation to agents consisted of a cash commission of $4,800 and 18,000 agent's warrants, each such agent's warrant entitling the holder to acquire one common share for $0.35 until December 23, 2012. The agent's warrants were valued on the date of issue using the modified Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 1.25%, expected volatility of 100% and an expected life of 12 months. The value attributed to the 18,000 agent's warrants was $1,475.

On March 12, 2012, the Company closed a private placement of 3,508,331 units at $0.90 per unit for gross proceeds of $3,157,498 and a private placement of 2,305,167 flow-through common shares at $1.20 per share for gross proceeds of $2,766,200. The proceeds on the sale of units are allocated all to share capital and none to warrants. The Company incurred cash expenses of $534,760 and issued 349,526 warrants as finders' fees in connection with the financing. Each private placement unit consists of one common share and one-half of a share purchase warrant, with each share purchase warrant exercisable at $1.25 until September 12, 2013. The 349,526 finders' fee warrants entitle the holder to purchase an additional common share exercisable until September 18, 2013 at a price of $1.25. The fair value of the 349,526 finders' fee warrants was $195,203 and was recorded as share issuance costs and an offset to contributed surplus. The fair value of each finder's fee warrant has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 1.19%, dividend yield of 0%, volatility of 157%, and expected life of one and one-half years.

7. SHARE CAPITAL - continued

Escrowed

The following table reflects the continuity of common shares held in escrow:

	Number of Shares	Release Date
	1,050,728	June 21, 2012
	1,050,728	December 21, 2012
	1,050,728	June 21, 2013
	3,152,184	

8. WARRANTS

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 1, 2010	-	$ -
Issue of warrants	3,387,000	$ 0.30
Balance, March 31, 2011	3,387,000	$ 0.30
Warrants expired	(12,000)	$ 0.30
Issue of warrants	2,419,023	$ 1.08
Warrants exercised	(3,181,732)	$ 0.30
Balance March 31, 2012	2,612,291	$ 1.02

The average share price was $0.83 at the time the warrants were exercised.

As at March 31, 2012 the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price
April 13, 2012	390,000	$0.30
April 13, 2012	110,666	$0.35
December 23, 2012	7,934	$0.35
September 12, 2013	349,526	$0.90
September 12, 2013	1,754,165	$1.25

9. SHARE-BASED PAYMENTS

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (the "Exchange") under which it is authorized to grant options to directors, officers, employees and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified. Outstanding options vest immediately at date of grant. Options granted to investor relations personnel vest in accordance with Exchange regulations.

A summary of the status of the stock option plan and changes for the year ended March 31, 2012 are presented below:

				During the year				
Grant date	Expiry date	Exercise Price	Opening Balance	Granted	Exercised	Forfeited	Closing Balance	Vested and Exercisable
2012								
Sept. 17, 2007	Sept. 17, 2012	$0.20	442,000	-	(277,000)	(165,000)	-	-
June 21, 2010	June 21, 2015	$0.20	840,000	-	(370,000)	-	470,000	470,000
February 23, 2012	February 23, 2017	$1.00	-	325,000	-	-	325,000	325,000
March 22, 2012	March 22, 2017	$0.90	-	1,425,000	-	-	1,425,000	1,425,000
			1,282,000	1,750,000	(647,000)	(165,000)	2,220,000	2,220,000
Weighted average exercise price			$0.20	$0.92	$0.20	$0.20	$0.77	$0.77

A summary of the status of the stock option plan and changes for the year ended March 31, 2011 are presented below:

				During the year				
Grant date	Expiry date	Exercise Price	Opening Balance	Granted	Exercised	Forfeited	Closing Balance	Vested and Exercisable
2011								
Sept. 17, 2007	Sept. 17, 2012	$0.20	442,000	-	-	-	442,000	442,000
June 21, 2010	June 21, 2015	$0.20	-	840,000	-	-	840,000	840,000
			442,000	840,000	0	0	1,282,000	1,282,000
Weighted average exercise price			$0.20	$0.20	$0.20	$0.20	$0.20	$0.20

The average share price was $0.99 at the time the options were exercised.

The weighted average fair value at grant date of options granted during the year ended March 31, 2012 was $0.22 per option (year ended March 31, 2011: $0.15).

9. SHARE-BASED PAYMENTS - continued

The weighted average remaining contractual life of the options outstanding at March 31, 2012 is 4.49 years.

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield, expected forfeitures and the risk free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The model inputs for options granted during the years ended March 31, 2012 and 2011 include:

Grant date	Expiry date	Share price at grant date	Exercise price	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
March 22, 2012	March 22, 2017	$0.65	$0.90	1.67%	5 years	166%	0%
February 23, 2012	February 23, 2012	$0.98	$1.00	1.47%	5 years	167%	0%
June 21, 2010	June 21, 2015	$0.18	$0.20	4.15%	5 years	40%	0%

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk free rate of return is the yield on a zero-coupon Canadian Treasury bill of a tem consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options.

Total expenses arising from the share-based payment transactions recognized during the year as part of share-based compensation expense was $1,159,305 (March 31, 2011: $125,887).

As at March 31, 2012 there was no amount (March 31, 2011: $nil) of total unrecognized compensation cost related to unvested share-based compensation.

Total expenses arising from the share-based payment transactions that were capitalized during the year as part of exploration and evaluation asset acquisition costs were $205,000 (March 31, 2011: $1,014,971).

10. INCOME TAXES

(a) Provision for Income Taxes

The following table reconciles the expected income tax provision at the statutory income tax rate of 26.5% (2011 - 26.5%) to the amounts recognized in the statements of loss and comprehensive loss:

	March 31, 2012	March 31, 2011
Loss before income taxes	$ (1,631,701)	$ (345,895)
Expected income tax recovery at the statutory tax rate	(432,401)	(91,662)
Stock based compensation	307,216	33,360
Share issue costs	(38,258)	(9,262)
Other	(1,830)	(1,311)
Benefit of tax losses not recognized	165,273	68,875
Flow-through premium	(89,428)	(11,240)
Income tax recovery	$ (89,428)	$ (11,240)

Provision for income taxes consists of the following:

	March 31, 2012	March 31, 2011
Current income taxes (recovery)	$ -	$ -
Deferred income taxes (recovery)	(89,428)	(11,240)
	$ (89,428)	(11,240)

(b) Deferred tax balances

Deferred income tax assets (liabilities):

	March 31, 2012	March 31, 2011
Resource related liability	$ (108,157)	$ (14,983)
Non-capital losses realized	108,157	14,983
	$ -	$ -

The following temporary differences have not been recognized in the financial statements.

	March 31, 2012	March 31, 2011
Non capital loss carry-forwards	$ 640,962	$ 425,434
Capital losses carried forward	50,.000	50,000
Share issuance costs	460,737	58,011
Intangible assets	55,593	59,778
Tangible capital assets	(3,056)	(338)
Resource related assets	133,329	-
Investment tax credits carried forward	13,323	-
	$1,350,888	$ 592,885

10. INCOME TAXES – continued

(c) Tax loss carry-forwards

As at March 31, 2012, the Company had approximately $1,105,302 (2011 - $481,634) of non-capital losses which can be used to reduce taxable income in future years. The non-capital losses expire at dates as described below:

2027	$ 176
2028	54,197
2029	91,077
2030	76,279
2031	259,905
2032	623,668
	$ 1,105,302

The company also has $50,000 (2011 - $50,000) of capital losses carried forward which can be utilized to reduce capital gains in future years. The capital losses carried forward do not have an expiry date.

11. RELATED PARTY TRANSACTIONS

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

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions in the normal course of operations with related parties:

	Year ended	
	March 31, 2012	March 31, 2011
Management fees (i)	$ 144,000	$ 112,000
Mineral property-exploration expenditures (i), (ii)	$ 156,650	$ 43,674
Office rent and supplies (iii)	$ 55,400	$ 16,200
Equipment (iv)	$ 17,000	$ -
Stock based compensation	$ 1,159,305	$ 125,887

11. RELATED PARTY TRANSACTIONS - continued

(i) The Company paid $72,000 (2011 - $56,000) in management fees to the President of the Company; $72,000 (2011 - $56,000) to the CFO of the Company; and $115,050 (2011 - $56,000) in mineral property exploration consulting costs to the VP of Exploration.

(ii) The Company paid $41,600 (2011 - nil) to two directors of the Company for mineral property exploration consulting fees.

(iii) The Company paid $55,400 (2011 - $22,800) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.

(iv) The Company paid $17,000 (2011 - nil) to the VP of Exploration for equipment in connection with mineral property exploration activity.

Accounts payable and accrued liabilities include $101,350 (2011 - $14,690) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company classified its cash as loans and receivables; accounts receivable as loans and receivables; and accounts payable and accrued liabilities, accrued interest payable, loan payable, convertible debenture and advances from directors as other financial liabilities. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, accrued interest payable, loan payable, convertible debenture and advances from directors approximate their fair values due to the expected maturity of these financial instruments. The fair value of amounts due to related parties has not been disclosed as their fair values cannot be reliably measured since the parties are not at arm's length.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure is as follows:

	March 31, 2012	March 31, 2011
Cash and cash equivalents	$ 6,258,609	$ 535,436

The credit risk associated with cash is minimized by ensuring it is placed with a major Canadian financial institution with a strong investment-grade rating issued by a primary ratings agency.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company has significant cash to meet its requirements for administrative overhead, to conduct due diligence on mineral property acquisition targets, and to conduct exploration of its mineral properties and mineral properties that may be acquired.

The Company does not generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company's cash and cash equivalents consist primarily of cash held in bank accounts and term deposits with banks. Due to the short-term nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair value as of March 31, 2012. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subject to interest rate risk.

ii. Foreign currency risk

During the year ended March 31, 2012, the Company is not exposed to material foreign currency risk.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, foreign currency risk or commodity price risk. The Company has no financial instruments exposed to other price risk.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, common shares, warrants and stock options as capital. There were no changes in the Company's approach to capital management during the year ended March 31, 2012. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to carry out its planned exploration programs and operating costs for the next twelve months.

14. COMMITMENTS AND CONTINGENCIES

Flow-through Shares

On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. Other liabilities include the liability portion (the premium) of the flow-through shares issued for the amount of the premium on flow-through funds that at March 31, 2012 have not been used to incur qualifying exploration expenditures. The following is a continuity schedule of the commitment for the flow-through shares issuances.

Balance at April 1, 2010	**$**	**-**
Liability incurred on flow-through shares issued on June 10, 2010		**225,000**
Settlement of flow-through share liability on incurring expenditures		(56,200)
Balance at March 31, 2011		168,800
Settlement of flow -through share liability on incurring expenditures		(168,800)
Liability incurred on flow-through shares issued on December 23, 2011 and March 12, 2012		2,816,200
Settlement of flow-through share liability on incurring expenditures		(239,340)
Balance at March 31, 2012	**$**	**2,576,860**

14. COMMITMENTS AND CONTINGENCIES - continued

As March 31, 2011, the Company had fulfilled $56,200 of its commitment to incur exploration expenditures in relation to flow-through share financing of 2010.

As at March 31, 2012, the Company had fulfilled the remaining $168,800 of its commitment to incur exploration expenditures in relation to flow-through share financing of 2010 as well as its commitment of $50,000 with respect to its flow-through share financing of December 2011. As at March 31, 2012, the Company had fulfilled $50,000 of its commitment in relation to the December 2012 flow-through financing.

The Company completed a flow-through share financing in March 2012, incurring a commitment to incur exploration expenditures of $2,766,200 by December 31, 2013. As at March 31, 2012 the Company had fulfilled $189,340 of its commitment in relation to the March 2012 flow-through share financing.

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for the year ending March 31, 2012 are the first annual financial statements prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"), 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 effective IFRS standards as of the reporting date, which for the Company is March 31, 2012. Therefore, the financial statements for the year ended March 31, 2012, the comparative information presented in these financial statements for the year ended March 31, 2011 and the opening IFRS statement of financial position at April 1, 2010 are prepared in accordance with IFRS standards effective at the reporting date. However, IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian GAAP.

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

An explanation of how the transition from pre-changeover Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following notes and tables:

Exemptions Applied

FIRST TIME ADOPTION OF IFRS (IFRS 1)

(a) Share-based payment transactions

IFRS 1 allows that full retrospective application may be avoided for certain share-based instruments depending on the grant date, vesting terms and settlement of any real liabilities. A first-time adopter can elect to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the later of (i) the date of transition to IFRS and (ii) January 1, 2005. The Company has elected this exemption and will apply IFRS 2 to only unvested stock options as at April 1, 2010 being the transition date.

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

(b) Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

Changes to accounting policies

(i) Deferred income taxes

Under Canadian GAAP, in the case of an asset that is acquired, other than in a business combination, and the tax basis of that asset is less than its cost, deferred income taxes are recognized at the time of acquisition and the cost of those deferred taxes is added to the cost of the asset. IFRS does not allow the recognition of a deferred tax liability if the asset is not recognized as part of a business combination. Under Canadian GAAP, a $338,290 deferred income tax liability was recognized on the acquisition of exploration and evaluation assets. On adoption of IFRS, the Company recorded a $338,290 decrease to deferred tax liability and a similar decrease to exploration and evaluation assets.

(ii) Flow-through shares

Flow-through shares are a unique Canadian tax incentive which was the subject of specific guidance under Canadian GAAP. Under Canadian GAAP the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146 “Flowthrough Shares”. At the time of issue, the funds received were recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a future income tax liability with a charge directly to shareholders’ equity. Also under Canadian GAAP the Company recorded any previously unrecognized future tax assets eligible to be recognized to offset the future tax liability recorded, with the recovery reported in the statement of operations.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through tax premium liability. Upon renouncement by the Company of the tax benefits associated with the related expenditures, the flow-through premium liability is reduced and a deferred tax liability is recognized. The differential between the pro rata reduction of the flow-through premium liability and the deferred tax liability is recognized in profit and loss as other income.

To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

The Company reversed the previous charge to share capital by $57,038 and credit to deferred taxes, and recorded a decrease to share capital in the amount of $45,000 and a corresponding increase to flow-through share premium liability. The Company also recorded a decrease to flow-through liability and a decrease to deficit in the amount of $11,240.

(iii) Income Taxes

The Company reversed previously recognized deferred tax assets in the amount of $163,358.

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

(iv) Reclassification within equity section

IFRS requires an entity to present each component of equity, reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. The Company reviewed its warrant account and concluded that as at the Transition Date the amount of $178,499 related to value more appropriately attributed to share capital. As a result, the Company believes a reclassification would be necessary in the equity section between “Warrants” and “Share Capital” account. The Company transferred $178,499 of the balance to share capital and $650 related to broker warrants, to contributed surplus.

RECONCILIATION TO PREVIOUSLY REPORTED FINANCIAL STATEMENTS

A reconciliation of the above noted changes is included in these following Statements of Financial Position and Statements of Operations and Comprehensive Loss for the dates and periods noted below. The Company’s adoption of IFRS did not have an impact on the total operating, investing or financing cash flows and as such no reconciliation of the statement of cash flows has been prepared.

- Transition Statement of Financial Position Reconciliation – April 1, 2010
- Statement of Financial Position Reconciliation – March 31, 2011
- Statement of Operations and Comprehensive Loss Reconciliation – March 31, 2011

Transition Statement of Financial Position Reconciliation-April 1, 2010

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Assets			
Current assets			
Cash and cash equivalents	239,582	-	239,582
Sundry receivables	2,491	-	2,491
Loan receivable	49,215	-	49,215
Prepaid expenses	16,396	-	16,396
	307,684		307,684
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	29,338	-	29,338
	29,338		29,338
Deferred tax liability			
Shareholders’ Equity			
Share capital	547,978	-	547,978
Contributed surplus	48,643	-	48,643
Deficit	(318,275)		(318,275)
	278,346	-	278,346
	307,684	-	307,684

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS – continued

Statement of Financial Position Reconciliation-March 31, 2011

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
Assets				
Current assets				
Cash and cash equivalents	$ 535,436	$ -		$ 535,436
Sundry receivables	43,789	-		43,789
Prepaid expenses	9,115	-		9,115
	588,340	-		588,340
Property and equipment	1,013	-		1,013
Exploration and evaluation assets	1,547,947	(338,290)	(d)	1,209,657
	$ 2,137,300	$ (338,290)		$ 1,799,010
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$ 44,135	$ -		$ 44,135
Liability for flow through shares	-	33,760	(c)	33,760
	44,135	33,760		77,895
Deferred tax liability	231,970	(231,970)	(d)	-
	276,105	(198,210)		77,895
Shareholders' equity		12,038		
Share capital	2,008,328	178,499	(c)	2,198,865
Warrants	179,149	(179,149)		-
Contributed surplus	174,530	650		175,180
Deficit	(500,812)	(152,118)	(c) (d)	(652,930)
	1,861,195	(140,080)		1,721,115
	$ 2,137,300	$ (338,290)		$ 1,799,010

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS – continued

Statement of Operations and Comprehensive Loss Reconciliation-March 31, 2011

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
Expenses				
Filing and transfer agent fees	$ 20,124	$ -		$ 20,124
General and administration costs	168,740	-		168,740
Professional fees	30,807	-		30,807
Stock based compensation	125,887	-		125,887
Depreciation	337	-		337
Loss before income taxes	345,895	-		345,895
Deferred income tax recovery	(163,358)	152,118	(d)	(11,240)
Net loss and comprehensive loss	$ 182,537	$ 152,118		$ 334,655
Basic and diluted loss per share	$ (0.02)	-		$ (0.03)
Weighted average number of shares outstanding	10,998,033	-		10,998,033

16. EVENTS AFTER THE REPORTING DATE

(1) Subsequent to the year end 200,000 options were granted to investor relations consultants. The options vest equally over twelve months and are exercisable at $1.05 per share.

(2) Subsequent to the year end 140,000 options were exercised resulting in the issue of 140,000 common shares in exchange for $28,000 in cash.

(3) Subsequent to the year end 408,600 warrants were exercised resulting in the issuance of 398,600 shares in exchange for $128,510 in cash. In addition, 100,000 warrants were not exercised and expired on April 13, 2012.

(4) Subsequent to the year end 50,000 common shares were issued as payment for mining claims acquired during 2011.