



**GTA RESOURCES AND MINING INC.**

**Condensed Interim Financial Statements**

**June 30, 2012**

**(Unaudited)**

(Expressed in Canadian Dollars)

*These condensed interim financial statements have not been reviewed by the Company's auditors.*

---

**GTA RESOURCES AND MINING INC.**  
**(Unaudited)**  
(Expressed in Canadian Dollars)

**Table of Contents**  
*June 30, 2012 and 2011*

---

	<b>Page</b>
<b>Condensed Interim Financial Statements</b>	
Condensed Interim Statements of Financial Position	2
Condensed Interim Statements of Operations and Comprehensive Loss	3
Condensed Interim Statement of Changes in Equity	4 – 5
Condensed Interim Statements of Cash Flows	6
Notes to Condensed Interim Financial Statements	7 - 20

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(Expressed in Canadian Dollars)

As at	June 30, 2012	March 31, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,767,150	\$ 6,258,609
Sundry receivables	85,173	133,287
Prepaid expenses	26,198	41,451
	<u>5,878,521</u>	<u>6,433,347</u>
Property and equipment (Note 4)	16,026	17,506
Exploration and evaluation assets (Note 5)	2,476,995	1,966,026
	<u>\$ 8,371,542</u>	<u>\$ 8,416,879</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 280,526	\$ 302,041
Premium on flow-through shares	516,473	644,215
	<u>796,999</u>	<u>946,256</u>
<b>Shareholders' equity</b>		
Share capital (Note 6)	8,390,563	8,213,072
Contributed surplus (Note 6)	1,459,433	1,452,754
Deficit	(2,275,453)	(2,195,203)
	<u>7,574,543</u>	<u>7,470,623</u>
	<u>\$ 8,371,542</u>	<u>\$ 8,416,879</u>

Approved by the Board of Directors

"Peter M. Clausi"

\_\_\_\_\_  
Director

"Brian Crawford"

\_\_\_\_\_  
Director

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

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30th	2012	2011
<b>Operating expenses</b>		
Filing and transfer agent fees	\$ 8,832	\$ 6,272
General and administration costs	165,626	48,973
Professional fees	4,394	11,796
Share-based compensation	27,660	-
Depreciation	1,480	169
	<b>207,992</b>	<b>67,210</b>
<b>Loss before income taxes</b>	<b>207,992</b>	<b>67,210</b>
Deferred tax benefit	(127,742)	(3,920)
<b>Net loss and comprehensive loss</b>	<b>\$ 80,250</b>	<b>\$ 63,290</b>
<b>Basic and diluted loss per share</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Weighted average number of shares outstanding</b>	<b>24,341,521</b>	<b>12,900,330</b>

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

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)  
(Expressed in Canadian Dollars)

	Number of Shares	Common Shares Issued and Fully Paid	Contributed Surplus	Accumulated Deficit	Total
<b>Balance, April 1, 2010</b>	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 payments	-	-	125,887	-	125,887
Loss and comprehensive loss	-	-	-	(334,655)	(334,655)
<b>Balance, March 31, 2011</b>	12,896,357	2,198,865	175,180	(652,930)	1,721,115
Stock options exercised	50,000				
Loss and comprehensive loss				(62,390)	(62,390)
<b>Balance, June 30, 2011</b>	12,946,357	2,198,865	175,180	(715,320)	1,658,725
Stock options exercised	50,000				
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				(1,479,883)	(1,479,883)
Share based compensation			1,159,305		1,159,305
<b>Balance March 31, 2012</b>	24,233,255	8,213,072	1,452,754	(2,195,203)	7,470,623

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)  
(Unaudited)

	<b>Number of Shares</b>	<b>Common Shares Issued and Fully Paid</b>	<b>Contributed Surplus</b>	<b>Accumulated Deficit</b>	<b>Total</b>
Stock options exercised	50,000				
Stock based compensation			27,660		27,660
Exercise of options	140,000	28,000			28,000
Exercise of warrants	408,600	128,510			128,510
Transfer of contributed surplus on exercise of options		20,981	(20,981)		-
Loss for the period				(80,250)	(80,250)
<b>Balance, June 30, 2012</b>	<b>24,831,855</b>	<b>\$ 8,390,563</b>	<b>\$ 1,459,433</b>	<b>\$ (2,275,453)</b>	<b>\$ 7,574,543</b>

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

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

Three months ended June 30th	2012	2011
<b>Operating activities</b>		
Net loss and comprehensive loss for the period	\$ (80,250)	\$ (63,290)
Items not affecting cash and cash equivalents		
Deferred income tax	(127,742)	(3,920)
Depreciation	1,480	169
Share-based compensation	27,660	-
Change in non-cash working capital:		
Sundry receivables	48,114	(11,602)
Prepaid expenses	15,253	3,595
Accounts payable and accrued liabilities	(21,515)	5,049
<b>Net cash used in operating activities</b>	<b>(137,000)</b>	<b>(69,999)</b>
<b>Financing activities</b>		
Issuance of common shares, net of issue costs	156,510	-
<b>Net cash provided by financing activities</b>	<b>156,510</b>	<b>-</b>
<b>Investing activities</b>		
Investment in and expenditure on exploration and evaluation assets	(519,969)	(19,600)
<b>Net cash used in investing activities</b>	<b>(510,969)</b>	<b>(19,600)</b>
<b>Net change in cash and cash equivalents</b>	<b>(491,459)</b>	<b>(89,599)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>6,258,609</b>	<b>535,436</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 5,767,150</b>	<b>\$ 445,837</b>

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

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

---

**1. NATURE OF OPERATIONS**

GTA Resources and Mining Inc. (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. 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 in the development stage.

These condensed interim financial statements were approved by the board of directors on August 27, 2012.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards Board ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

**Basis of Presentation**

These unaudited condensed interim financial statements have been prepared on the basis of accounting policies consistent with those applied in the Company's March 31, 2012 annual financial statements.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the applications of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

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

**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 will be adopted when they become effective:

- (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



**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

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.
- (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.

**GTA RESOURCES AND MINING INC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

---

**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

(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.

**3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds 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. There were no changes in the Company's approach to capital management during the period ended June 30, 2012. The Company is not subject to externally imposed capital requirements.

The Company classified its cash and cash equivalents and sundry receivables as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, 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:

---

	<b>June 30, 2012</b>	<b>March 31, 2012</b>
Cash and cash equivalents	\$ 5,767,150	\$ 6,258,609

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.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

---

**3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS - 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 June 30, 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 period ended June 30, 2012, the Company was 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.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

**4. PROPERTY AND EQUIPMENT**

	<b>Computer Software</b>	<b>Equipment</b>	<b>Total</b>
<b>Cost</b>			
Balance April 1, 2010	\$ -	\$ -	\$ -
Additions	1,350		1,350
Balance March 31, 2011	1,350	-	1,350
Additions	-		-
Balance June 30, 2011	1,350	-	1,350
Additions	-	17,000	17,000
Balance March 31, 2012	1,350	17,000	18,350
Additions	-	-	-
Balance June 30, 2012	\$ 1,350	\$ 17,000	\$ 18,350

**Accumulated depreciation**

Balance April 1, 2010	\$ -	-	\$ -
Depreciation expense	337	-	337
Balance March 31, 2011	337	-	337
Depreciation expense	169	-	169
Balance June 30, 2011	506	-	506
Depreciation expense	338	-	338
Balance March 31, 2012	844	-	844
Depreciation expense	63	1,417	1,480
Balance June 30, 2012	\$ 907	\$ 1,417	\$ 2,324

**Carrying amounts:**

At April 1, 2010	\$ -	\$ -	\$ -
At June 30, 2011	\$ 1,013	\$ -	\$ 1,013
At March 31, 2012	\$ 506	\$ 7,000	\$ 17,506
At June 30, 2012	\$ 443	\$ 15,883	\$ 16,026

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

**5. EXPLORATION AND EVALUATION ASSETS**

	<b>Auden Property</b>	<b>Northshore Property</b>	<b>Total</b>
<b>Balance, April 1, 2010</b>	\$ -	\$ -	\$ -
Acquisition costs	1,153,457	-	1,153,457
Deferred exploration costs	56,200	-	56,200
<b>Balance March 31, 2011</b>	1,209,657	-	1,209,657
Acquisition costs	-	-	-
Deferred exploration costs	19,600	-	19,600
<b>Balance, June 30, 2011</b>	1,229,257	-	1,229,257
Acquisition costs	-	215,000	215,000
Deferred exploration costs	(525)	522,294	521,769
<b>Balance March 31, 2012</b>	1,228,732	737,294	1,966,026
Acquisition costs	-	-	-
Deferred exploration costs	-	510,969	510,969
<b>Balance, June 30, 2012</b>	\$ 1,228,732	\$ 1,248,263	\$ 2,476,995

**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.

**GTA RESOURCES AND MINING INC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

---

**5. 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 ended March 31, 2012. In addition the Company has incurred exploration expenditures of \$522,294 and \$492,789 to March 31, 2012 and June 30, 2012 respectively.

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.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

**6. 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	675,000	
Shares issued for acquisition of mining claims	5,074,855	1,014,971	
Broker warrants issued		(650)	650
Share issue cost		(38,434)	
Share-based payments			125,887
<b>Balance March 31, 2011</b>	<b>12,896,357</b>	<b>2,198,865</b>	<b>175,180</b>
Options exercised	50,000		
<b>Balance June 30, 2011</b>	<b>12,946,357</b>	<b>2,198,865</b>	<b>175,180</b>
Proceeds from share issuance	6,408,166	6,080,698	
Stock options exercised	50,000		
Shares issued for exploration and evaluation assets	1,000,000	205,000	
Share-based payments			1,159,305
Options exercised	647,000	129,400	
Warrants exercised	3,181,732	964,356	
Transfer of 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)	
<b>Balance March 31, 2012</b>	<b>24,233,255</b>	<b>8,213,072</b>	<b>1,452,754</b>
Options exercised	50,000		
Share based payments			27,660
Options exercised	140,000	28,000	
Warrants exercised	408,600	128,510	
Transfer of contributed surplus on exercise of options		20,981	(20,981)
<b>Balance June 30, 2012</b>	<b>24,831,855</b>	<b>\$ 8,390,563</b>	<b>\$ 1,459,433</b>

**2011 Activity**

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

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

---

**6. SHARE CAPITAL - continued**

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. The warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield, 0%, risk-free interest rate of 0.25%, expected volatility of 100% and an expected life of 12 months. The value attributed to the 3,375,000 warrants was \$178,499.

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 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.

**2012 Activity**

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

On June 1, 2011 the Company entered into an agreement with respect 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 June 30, 2012 the Company has issued 150,000 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.



**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

**6. SHARE CAPITAL - continued**

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.

Escrowed

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

	<b>Number of Shares</b>	<b>Release Date</b>
	1,050,728	December 21, 2012
	1,050,728	June 21, 2013
	2,101,456	

**7. 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:

	<b>Number of Warrants</b>		<b>Weighted Average Exercise Price</b>
<b>Balance, April 1, 2010</b>	-	\$	-
Issue of warrants	3,387,000	\$	0.30
<b>Balance March 31, 2011</b>	3,387,000	\$	0.30
Warrants expired	(12,000)	\$	0.30
<b>Balance June 30, 2011</b>	3,375,000	\$	0.30
Issue of warrants	2,051,498	\$	1.12
Warrants expired	(100,000)	\$	0.30
Warrants exercised	3,572,332	\$	0.30
<b>Balance June 30, 2012</b>	1,754,166	\$	1.25

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

**7. WARRANTS - continued**

The weighted average remaining contractual life of warrants outstanding at June 30, 2012 was 1.25 years.

As at June 30, 2012 the Company had outstanding warrants as follows:

<b>Expiry Date</b>	<b>Number of Warrants</b>	<b>Exercise Price</b>
September 12, 2013	349,526	\$0.90
September 12, 2013	1,754,166	\$1.25

**8. 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 are presented below:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
<b>Balance, April 1, 2010</b>	442,000	\$ 0.20
Grant of options	840,000	\$ 0.20
<b>Balance March 31, 2011</b>	1,282,000	\$ 0.20
Options expired	(165,000)	\$ 0.20
<b>Balance, June 30, 2011</b>	1,117,000	\$ 0.20
Grant of option	1,750,000	\$ 0.93
Options exercised	647,000	\$ 0.20
<b>Balance March 31, 2012</b>	2,220,000	\$ 0.93
Grant of option	200,000	\$ 1.05
Options exercised	140,000	\$ 0.20
<b>Balance, June 30, 2012</b>	2,280,000	\$ 0.83

The weighted average remaining contractual life of options outstanding at June 30, 2012 was 4.21 years.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

**8. SHARE-BASED PAYMENTS - continued**

A summary of the status of the stock option plan and changes are presented below:

Expiry Date	Exercise Price	June 30, 2012		March 31, 2012		
		Number of Options	Exercisable at Period-End	Exercise Price	Number of Options	Exercisable at Year-End
June 21, 2015	\$ 0.20	840,000	330,000	\$ 0.20	840,000	470,000
February 23, 2017	\$ 1.00	325,000	325,000	\$ 0.20	325,000	325,000
March 22, 2017	\$ 0.90	1,425,000	1,425,000	\$ 0.90	1,425,000	1,425,000
April 19, 2014	\$ 1.05	200,000	50,000	-	-	-
		3,232,000	2,130,000		3,032,000	2,220,000

The Company applies the fair value method in accounting for its stock options using the Black-Scholes option pricing model. During the three months ended June 30, 2012, the Company issued a total of 200,000 (2011- nil) incentive stock options to investor relations consultants of the Company resulting in stock-based compensation of \$27,660 (2011- nil).

**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.

Model inputs for options granted and outstanding at June 30, 2012 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, 2017	\$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 term 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.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

---

**8. SHARE-BASED PAYMENTS - continued**

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.

As at June 30, 2012 there was no amount (June 30, 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 period as part of exploration and evaluation asset acquisition costs were \$nil (June 30, 2011: \$nil).

**9. 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:

	<b>June 30, 2012</b>	<b>June 30, 2011</b>
Management fees (i)	\$ 60,000	\$ 36,000
Mineral property-exploration expenditures (i), (ii)	\$ 76,955	\$ 35,050
Office rent and supplies (iii)	\$ 9,600	\$ 16,200

(i) The Company paid \$30,000 (2011 - \$18,000) in management fees to the President of the Company; \$30,000 (2011 - \$18,000) to the CFO of the Company; and \$48,000 (2011 - \$35,050) in mineral property exploration consulting costs to the VP of Exploration.

(ii) The Company paid \$28,955 (2011 - \$nil) to two directors of the Company for mineral property exploration consulting fees.

(iii) The Company paid \$9,600 (2011 - \$16,200) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.

Accounts payable and accrued liabilities include \$28,955 (2011 - \$14,690) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2012 and 2011

---

**10. COMMITMENTS AND CONTINGENCIES**

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 June 30, 2012 have not been used to incur qualifying exploration expenditures. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

**Flow-through Shares**

<b>Balance at April 1, 2010</b>	<b>\$</b>	<b>-</b>
Liability incurred on flow-through shares issued		225,000
Settlement of flow-through share liability on incurring expenditures		(75,800)
<b>Balance at June 30, 2011</b>		<b>149,200</b>
Settlement of flow-through share liability on incurring expenditures		(149,200)
Liability incurred on flow-through shares issued December 23, 2011 and March 12, 2012		2,816,200
Settlement of flow-through liability on incurring expenditures		(750,308)
<b>Balance at June 30, 2012</b>	<b>\$</b>	<b>2,065,892</b>

As June 30, 2011, the Company had fulfilled \$75,800 of its commitment to incur exploration expenditures in relation to flow-through share financing in 2010.

As at June 30, 2012, the Company had fulfilled an additional \$149,200 of its commitment to incur exploration expenditures in relation to flow-through share financing in 2010, and \$750,308 in relation to flow-through financings in December 2011 and March 2012. The remaining commitment to incur exploration expenditures relates to the flow-through financing of March 2012.

**11. SUBSEQUENT EVENTS**

On July 18, 2012 directors and officers exercised 100,000 stock options resulting in the Company receiving cash proceeds of \$20,000 and the issuance of 100,000 common shares.